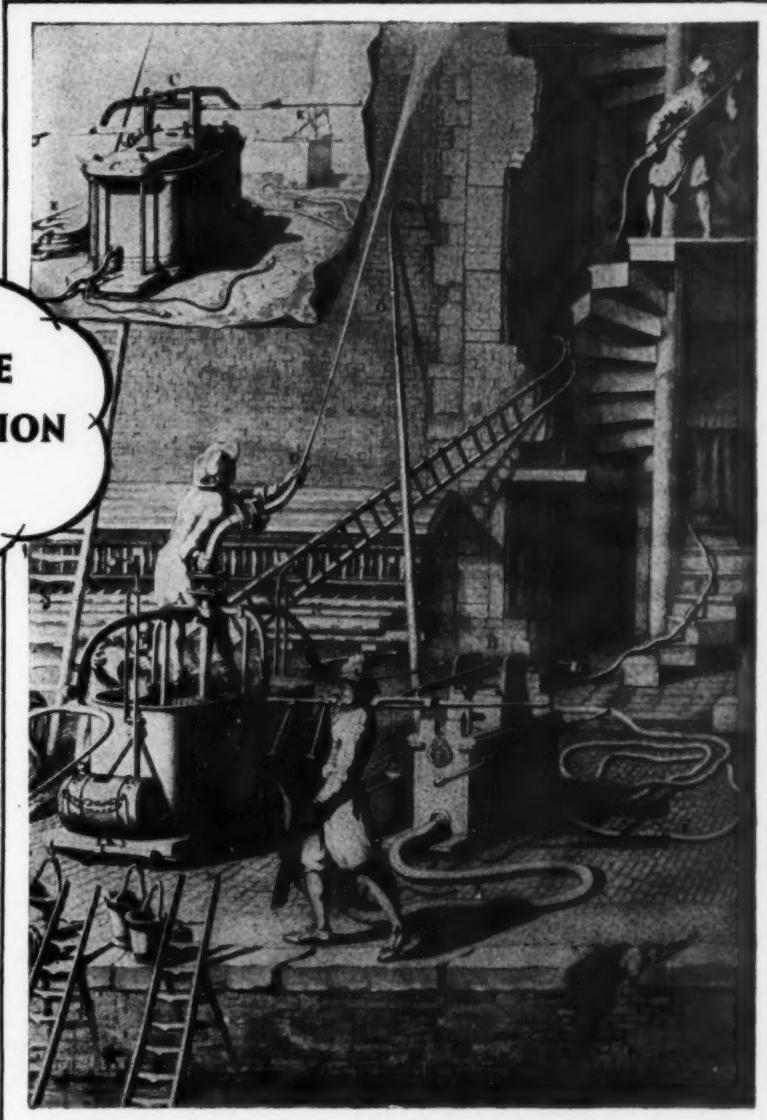


The NATIONAL UNDERWRITER

UP-TO-DATE
FIRE PROTECTION
IN 1672

Fire apparatus, including hand-operated pumper, leather hose, hose nozzle and hooked ladder constructed by the brothers van der Heyden, Fire Chiefs of Amsterdam, in 1672.



from the Bettmann Archive

Times are still changing. Today, especially, the successful agent has to keep abreast of changes—changes in needs, changes in coverages.

It takes a thoroughly experienced combination of agent-fieldman-company to write modern insurance protection properly. The long experience and ample resources of the National Fire Group help to do this.

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS AND TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT
175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT
234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

THURSDAY, JULY 26, 1945

LANDING SHIPS - TANKS - MEN TRAINED TO HANDLE THEM!

American efficiency and engineering skill and ingenuity have accomplished the impossible.

American loyalty and stamina and morale will keep us backing our fighting men to the last shot.



FIRE·MARINE·CASUALTY·SURETY
Loyalty Group
INSURANCE

Western Department
120 So. LaSalle St.
Chicago 3, Illinois

Foreign Department
111 John St.
New York 7, New York

HOME OFFICE • 10 PARK PLACE • NEWARK 1, NEW JERSEY

Canadian Departments
465 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

Southwestern Dept.
912 Commerce St.
Dallas 2, Texas

Pacific Department
220 Bush St.
San Francisco 6, Calif.

Pittsburgh Underwriters - Keystone Underwriters

Firemen's Insurance Company of Newark, N. J.
Organized 1855

Milwaukee Mechanics' Insurance Company
Organized 1852

The Girard Fire & Marine Insurance Company
Organized 1853

Royal Plate Glass & General Ins. Co. of Canada
Organized 1906

National-Ben Franklin Fire Insurance Company
Organized 1864

The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1874

The Concordia Fire Insurance Co. of Milwaukee
Organized 1870

Commercial Casualty Insurance Company
Organized 1909

Official U. S. Navy Photograph

PUT MORE FUNDS - AND KEEP THEM

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III. Agents Group Holds Profitable Parley at Champaign

Many Topics of Current Importance Elucidated by Five Speakers

About 75 agents from Champaign, Peoria and other towns in district 4 of the Illinois Association of Insurance Agents at a meeting in Champaign were treated to rapid fire presentation of topical matters in the fire, inland marine, casualty and automobile field. The session was confined to one afternoon. The speakers touched mainly on topics of current importance and the group agreed that it was a profitable afternoon.

Ray L. Britt of Danville, vice-president of the association as representative



R. L. Sprouze



Merle A. Read

of region 4, presided. Russell L. Sprouze of Springfield, executive vice-president, delivered the keynote message.

Donald Vance of Bloomington, state agent of Royal-Liverpool, gave a penetrating discussion of the 1943 New York fire insurance policy which shortly will be introduced in Illinois, following the enactment of legislation repealing the old statutory form of policy and providing in effect for the insurance director to prescribe the form that shall be used.

Wilbor Substitutes for Lelli

Substituting for Urban M. Lelli of Chicago, secretary of Phoenix of Hartford, who could not fill the engagement because of the necessity of being at Cleveland, was A. G. Wilbor, Jr., head marine underwriter of Phoenix of Hartford at Chicago. He referred to the fact, brought out by Mr. Vance, that over the years there have been comparatively few revisions of the standard fire policy. This, he said, is in contrast to the frequent changes that have taken place in the inland marine field. He bragged up his line as being especially responsive to changed conditions and as being willing to experiment, and make innovations, even at the risk of having to make amendments as experience developed. He pointed out that the inland marine people are quick to provide coverage for new enterprises such as locker plants to handle refrigerated foods. Inland marine insurance, he observed, follows closely on the heels of new ventures. He mentioned that the inland marine people provide broader forms on livestock than are available through the fire farm department. They include theft and the perils of transportation.

Mr. Wilbor recited the recent changes in the personal property floater and voiced the belief that a further liberalization

(CONTINUED ON LAST PAGE)

Scottish Union Advances Three

Kenneth Vreeland
Assistant Mgr.; Fletcher,
Tompkins Move Up

Directors of Scottish Union & National have appointed Kenneth M. Vreeland assistant United States manager and secretary. Mr. Vreeland also becomes vice-president of American Union and of Central Union, Scottish Union subsidiaries.

Mr. Vreeland was born in New York City, educated in the public schools there and at Rochester, N. Y., and Massachusetts Institute of Technology. He traveled several of the eastern states as special agent for Scottish Union before being called to the American headquarters at Hartford, where he superintended various underwriting departments including improved risk and inland marine. Until his advancement to the position of assistant manager and secretary, Mr. Vreeland has been assistant secretary in charge of the New England and southern departments of the fire and allied business of the Scottish Union group. His father, J. H. Vreeland, is U. S. manager of the group.

Thomas R. Fletcher, who has been an officer of Scottish Union since 1921, has been made secretary of Central Union in addition to his present office of treasurer. Mr. Fletcher also was appointed to the board of the Canadian branch of the Scottish Union companies at Toronto.

Grenville S. Tompkins has been named assistant secretary, having to do particularly with a part of the west. He also will become assistant secretary of the subsidiary companies. Mr. Tompkins received home office training with Queen and Phoenix of London. Prior to his appointment as assistant secretary he was special agent for the Scottish Union group in Minnesota.

N. E. Advisory Board in Lively Session

BOSTON—Every state association in New England was represented at the monthly meeting of the New England Advisory Board in Boston. Guy Warfield, Jr., of Baltimore, member of the executive committee of the National association, gave an illuminating talk on the work of that body, especially its future plans and public relation program.

The California talk of President Edward L. Williams of the Insurance Executives Association relative to a cut in agents commissions came up for some sharp criticism.

A request will be made of the New England Fire Insurance Rating Association for a conference committee, to include one member from the advisory board, to go into the matter of the revision of the broker of record and application for rating forms, particularly as to the elimination of the names of "others on the risk."

The members went at some length into a discussion of wave damage and commissions on the business.

The advisory board voted to hold its next monthly meeting Oct. 17-18 at Poland Spring, Me.

F.C.I.C. May Sustain Loss on Virginia Experiment

RICHMOND—Federal Crop Insurance Corporation may have to take a

U. S. Chamber Urges Foreign Operation

All Prohibitions and Restrictions Should Be Removed, Committee Says

Prohibitions and restrictions against operation of American insurance companies in foreign countries should be eliminated both at home and abroad, the U.S. Chamber of Commerce stated in a declaration of policy covering a wide range of economic subjects developed by its standing committee on policy. "The federal government should give consideration to this subject in negotiations of reciprocal trade and other commercial treaties, and the several states by appropriate legislation should make it possible for American insurance companies fully to provide all types of insurance coverage outside the continental limits of the U.S."

A mail ballot on the foreign restriction proposal was favored by a membership vote of 2,587 to 78. The declaration is subject to the interpretation of the chamber's insurance committee which has not yet been announced. One suggestion is that states be asked to relieve companies from paying premium taxes on business written outside the country similar to the benefits enjoyed by marine companies on premium taxes in some states.

By a vote of 2,653 to 32 a declaration was adopted urging that public health maintenance should be the responsibility of state, county and local governments, supplemented by federal grants-in-aid under special circumstances when the need is clearly established. The declaration includes a warning against extravagance and unnecessary federal aid grants.

The declaration urging people to provide for their own social security through thrift and life insurance was adopted by a vote of 2,676 to 14.

Halifax Explosion Covered by Canadian War Damage

TORONTO—Canadian Finance Minister Ilsley announced that an adjustment committee will be appointed in Halifax to receive and adjust claims under the Canadian war risk insurance act arising out of damage sustained in the recent explosions there. Mr. Ilsley states that all claimants under the act, whether as policyholders or as householders claiming under the free compensation provisions of the act, are to communicate with this committee.

The act provides that war damage includes damage caused "by the explosion of a concentration of munitions or explosives being lawfully manufactured, stored, or transported in Canada, for war purposes." Hence, payments to those who suffered losses are now considered to be in order. The free scheme section of the act provides for compensation not exceeding \$3,000 to any person in respect of war damage to the dwelling house in which he ordinarily resides.

loss on its first trial in crop insurance in Pittsylvania county, Va., one of the two Virginia counties singled out for the experiment this year. Recent hail storms have resulted in claims for losses being filed by 80 out of 540 Pittsylvania farmers who took out federal policies against all forms of crop damage. Adjusters are making an appraisal but the full extent of the losses has not been determined. Tobacco crops suffered most from the hail storms.

Williams' Comments Stir Agents to Vigorous Protest

I.E.A. Head Issues Statement; N.A.I.A. Asks for Copy of Talk

The storm of protest among agents aroused by statements attributed to Edward L. Williams, president of the Insurance Executive Association, at a meeting of the Pacific Board July 10, has brought forth a statement from Mr. Williams, made through the office of the I.E.A. charging that his remarks were not accurately reported to the New York "Journal of Commerce." The "Journal of Commerce" published a story supporting the accuracy of its report of the talk.

In the meantime the National Association of Insurance Agents has issued a statement calling the "Journal of Commerce" story a "disturbing" one, promising its members to investigate the talk and report to the membership.

Williams' Statement

Mr. Williams' statement is as follows: "As the meeting on July 10 of the Pacific Board was not attended by representatives of the press, it is understandable that the substance of my remarks at that meeting should not have been accurately reported to the Journal of Commerce. The meeting afforded an opportunity for an informal discussion of various problems arising out of the decision of the United States Supreme Court and the subsequent enactment by Congress of Public Law 15 and of the various studies that are being made by the board and by other organizations in an effort to determine the changes that eventually will have to be made in the insurance business. Inasmuch as these studies are still in process, some of them just having been started, no final conclusions have been reached and it is unfortunate therefore that the report to the Journal of Commerce made it appear that I had stated the results of these studies when actually my remarks merely called attention to the fact that study of all such questions was under way but in nowise was there any forecast of what conclusions would be reached."

According to the I.E.A., Mr. Williams' statement has the full approval of W. W. Gilmore, London & Lancashire, president of the Pacific Board.

N.A.I.A. Investigating

The "American Agency Bulletin" for July 20 carried this statement: "A disturbing story in the insurance trade publications this week reporting an address by Edward L. Williams, president of the Insurance Executives Association, before the Pacific Board, has prompted the officers of the National association to ask for a copy of the text of Mr. Williams' address."

"He is reported to have said to the Pacific Board that drastic changes must be made at once in the fire insurance business on the Pacific Coast, with the inference that such changes should likewise extend countrywide where applicable. One of the statements he is reported to have made is: 'All rules referring to agency limitation must go.' Perhaps the most disturbing statement (CONTINUED ON LAST PAGE)

Loses Unlicensed Agent Case in N. Y.

Judge William C. Hecht, Jr., of the New York supreme court has granted the states' motion for a dismissal of the complaint of Charles Mendola, representative of American Farmers, Phoenix, Ariz., who was seeking to keep Superintendent Dineen of New York from enforcing the state laws against unlicensed agents. A. W. Arnold, who represented Mendola, stated his client has not reached a decision to appeal the decision as yet. Abe Wagman, assistant New York attorney general, represented the defense.

Mystery Union Seeks Members, "Union Business"

WASHINGTON—Attempt of agents' unions to secure cooperation of insurance buyers in efforts to unionize more agents and to encourage the buying of "union label" insurance is seen in an unsigned circular received here bearing the heading "Am-Fe-La Insurance Agents Union."

The circular, unaddressed, says that "believing that members of organized labor and their friends would like to place their business with agents who are members of the union, we are taking this means of informing you that we have arranged with union agents to handle your business."

When in need of insurance, "have a union agent take care of your needs," the circular advises. It continues by asking for "the name of your agent."

Stating that last year the District of Columbia insurance department issued over 1000 licenses to insurance solicitors, the circular adds: "we need your cooperation in helping us organize these agents."

The circular says "you do not have to change agents, we simply want your agent as a member of our organization, where close cooperation among all agents will eventually help you in securing the best protection that money can buy."

"As a member of organized labor you buy union-made products—why not extend your buying power so that it will cover your insurance needs too?" the circular concludes.

According to the circular, "The American Federation of Labor through its affiliated insurance agents council has established a department where all members of organized labor and their friends can secure the services of experienced insurance underwriters in the handling of their insurance business."

At AFL national headquarters THE NATIONAL UNDERWRITER was referred to Ralph U. Boyer, secretary-treasurer, Industrial & Ordinary Insurance Agents Council, who said he had never heard of the "Am-Fe-La" Insurance Agents Union" or seen its circular, and knew nothing about the "drive" it outlines.

Without having seen the circular, Boyer would not pass judgment on it, but he did indicate his council can stop certain union practices, if found objectionable.

"Am-Fe-La" could not be located or identified in the telephone directory or through union channels.

Heads Underwriting, Production

Glens Falls Indemnity has named Kenneth J. Thompson director of casualty underwriting and production in the New York City office. He has been production manager of the brokerage department for fire and casualty since 1941 and in the past couple of years has assumed additional responsibilities due to the manpower shortage. He has had supervision of compensation and liability underwriting since last year.

Mr. Thompson joined Glens Falls in 1928 as compensation and liability underwriter at the home office but was transferred immediately to the New York City office. He previously served in the same capacity in the New York office of U. S. F. & G. for many years.

Start Now to Change Buying Habits of Motorists, Frederick W. Doremus Urges

By FREDERICK W. DOREMUS

Never before in the history of the insurance business have local agents been confronted with a finer opportunity to approach a mass market such as currently exists in the automobile insurance field.

No new passenger cars have been produced for civilian distribution for more than three years and only a relatively few trucks and buses have been supplied during that period. All automobiles now in operation are wearing out at a rapid rate. These factors are creating the largest backlog of potential demand that the automobile industry has ever known.

While the manufacturers are devoting all of their marvelous ingenuity of production and management to supplying the demands of our armed forces, they are also planning for the competition that will face them when the day arrives to resume the manufacture of automobiles to meet the civilian demand.

Reliable statistics show that 32½ million automobiles were registered in the United States in 1941, which was the highest figure ever known. Every one of these cars is at least four years old as to year model, and depreciation, obsolescence and accidents are removing cars from the highways at the rate of 3,000 per day, according to the best estimates available.

Returns to Agency Channels

Because most of the passenger cars are old models, we know that those in hands of original buyers are now completely owned because any financing obligation has long since been paid off. Insurance on many of these completely owned automobiles has returned to local agency channels.

However, the large post-war market is being studied by the finance companies and plans are undoubtedly taking shape for the competition in the time sales field.

From the local agent's viewpoint, one of the most encouraging activities in the field of automobile sales is the active interest of commercial banks in the postwar financing of automobile and other consumer goods.

In many localities, notably Chicago, St. Louis, Atlanta and Houston, the local bankers are planning active cooperation with local insurance agents in promoting direct financing of postwar automobiles.

This method contemplates arranging

Ohio Legislature Adjourns; May Be Special Session

COLUMBUS—The Ohio legislature has finally adjourned, after a short cleanup session. The governor vetoed several bills but no action was taken to override his vetoes. No insurance measures were involved.

There are hints that a special session may be called later, but whether insurance will be included is a question. The governor has declared that unless a premium tax bill is enacted a financial crisis will result. His course in respect to insurance legislation later on will be determined, it is supposed, by developments in the tax situation.

Selected Risks Fire and Selected Risks Indemnity of New Jersey have been licensed in Connecticut.



F. W. Doremus

in advance with the prospective car purchaser to borrow direct from the local bank. He is then in a position to pay cash for the car and thus avoid any financing plan proposed to him by the automobile dealer. Insurance is placed direct with the insurance agent and the car buyer is not forced to accept the insurance offered with the automobile dealer's finance plan.

Specialists in Each Function

By advocating and actively supporting the direct auto purchase plan the banker and the local agent are segregating each transaction into its proper sphere when a new automobile is bought on time payments. The automobile dealer sells for cash; the bank loans the money; the agent insures the customer and all parts of the deal are handled by those best fitted to perform each function.

Those agents and bankers who start now to change the buying habits of their potential customers will be in the best position to take advantage of the postwar market that is rapidly taking shape. Each will be performing a definite service to the public in their community by teaching them the true meaning of local agent and local bank operations.

What steps can be taken by the local insurance agent to promote the idea of direct auto purchase plan in the community?

1. Talk to your local banker and convince him that there is a market for idle funds at profitable interest rates. That post-war banking includes handling of local consumer credit demands, otherwise this lucrative business goes to finance companies. The plan, forms, methods and rates can be developed by the banker assisted by legal counsel and the state bankers association.

Advertising Material

2. With the help of those insurance companies interested in this plan the local agent can circularize his customers with appropriate advertising material while the bank is doing the same thing with its depositors.

3. Every customer of the local agent now carrying automobile insurance is the ideal prospect for direct mail solicitation for postwar insurance on the newly financed car. Furthermore, with direct financing through local banks it is easy for the agent to include bodily injury and property damage coverage at the time the new car is financed and insured.

Now is the time to start the promotional work that will produce results when new cars again roll off the assembly lines. It may be too late to wait until the factories begin production and certainly a like opportunity will not be available within the span of the next generation.

Nothing Official at IRB Head Office on Tax Inquiry

WASHINGTON—Nothing has been received officially at the Internal Revenue Bureau here regarding inquiry by bureau agents into the income tax liability of insurance agents' organizations on the Pacific Coast. In addition to associations, an industry source here reports hearing that reciprocal exchanges may be subject to scrutiny by revenue agents on the ground that they operate practically as insurance companies and do not pay taxes because they are "non-profit organizations."

All agents' associations could be tax exempt, according to a bureau spokesman, provided their by-laws meet certain standards required of trade associations.

The investigation of agents groups could have arisen as an outgrowth of the law passed a year or two ago requiring

Brokers Oppose Countersignature Type Measures

SAN FRANCISCO—Fire and casualty insurance men in San Francisco, who keep in touch with agency and brokerage conditions, are discussing the recent decision of the U. S. circuit court of appeals in the Ware vs. Travelers case which was based on the Idaho countersignature law.

Opposition has been expressed to state laws of this and other types by the reorganized National Association of Insurance Brokers, which has come out with a program to wipe out such regulations, which it claims interfere with their interstate business.

California company managers and special agents who are close to both brokers and agents in the Pacific Coast territory are inclined to the belief that this situation creates a conflict between the two producers' groups which can have serious effects upon the present program throughout the several insurance jurisdictions to develop state regulations which will fill the gaps indicated in the provisions of the new federal insurance law.

One observer stated that the national brokers' association appears to be contradictory in its objectives, coming out for complete state regulation on the one hand but demanding elimination of many state laws on the other, particularly as to the members' risks with locations in more than one state.

VIEW IN EAST

NEW YORK—Active opposition to countersignature laws was one of the incentives in the recent reorganization of the National Association of Insurance Brokers. In fact, it was the reason why the General Brokers Association of New York City, composed mainly of brokers handling little but intrastate risks, withdrew from the National association soon after the reorganization was announced. The General Brokers Association felt itself to be more in the position of the local agent in upstate territory than in that of the large brokerage houses handling nation-wide accounts. The General Brokers Association was unwilling to be a party to the N.A.I.B. program, since a prominent part of it was to be opposition to countersignature laws.

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Simplify Fire Contest Reports

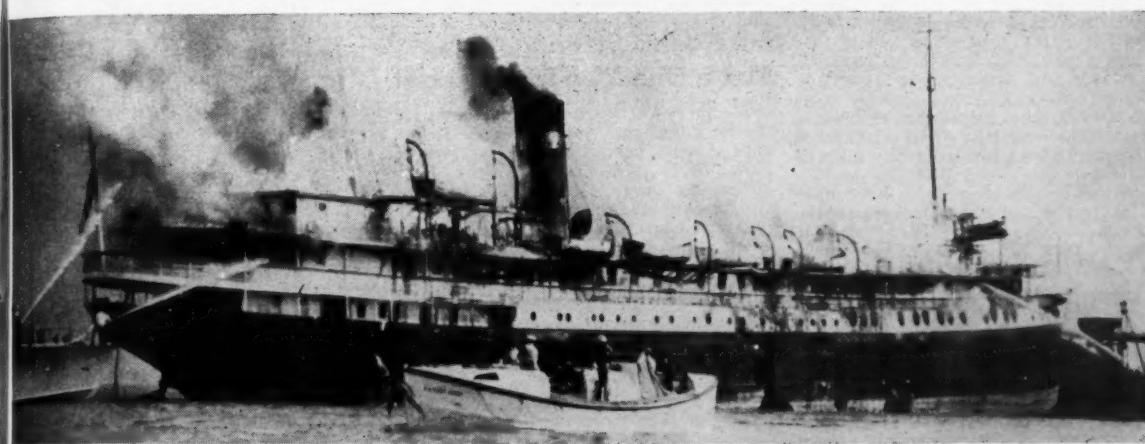
WASHINGTON—Reports submitted annually by local chambers of commerce in the National Fire Waste Contest have been simplified and streamlined for the first time since the contest was inaugurated in 1923, the U. S. Chamber of Commerce has announced.

The executive committee of the National Fire Waste Council authorized revision of the reporting form after Arch N. Booth, assistant general manager of the chamber, made an appeal for such action in an address at a recent meeting. Also endorsed by the council's executive committee was Mr. Booth's suggestion that other groups be asked to cooperate in the fire prevention program.

H. E. Hilton of the chamber's insurance department reports that the National Board, the National Association of Insurance Agents and the International Association of Fire Chiefs will assist with local chambers in a year round fire prevention campaign. The local fire chiefs will have a more active part in the new set up, it is stated.

ing non-profit organizations, including mutuals, associations, etc., to submit reports to the revenue bureau showing receipts and expenses. Information turned up in this way may show whether such organizations are really non-profit according to bureau regulations.

Lake Passenger Liner Burns at Point Edward, Ont.



A lifeboat stands by to take off passengers as flames swept the 360-foot Great Lakes liner Hamonic carrying 255 passengers and 95 crew members, after fire that broke out in the 1,000-foot long freight docks at Port Edward, Ont., spread to the vessel.

It is too early yet to estimate the total damage done to the Hamonic, which belonged to the Canadian Steamship Lines. A gasoline engine on the

dock exploded and the fire communicated to the superstructure of the ship. The ship burned for some hours after it was cut adrift and run into the beach by the captain.

Only three or four of the 200 injured are still in the hospital, and considering the rapid spread of the fire across the decks of the ship the number and severity of injuries is considered extremely light. The rapid spread of the

blaze partially was due to the highly polished surface of the ship's deck structure.

The pier at Point Edward was used by the steamship lines but was owned by the Canadian National Railway. However, the question of subrogation has not yet arisen. The extent of the loss will depend somewhat on whether the fire did much damage to the steel work in the ship's structure.

Insurance Training for Veterans in Agencies, Mich. Plan

LANSING, MICH.—The Michigan Association of Insurance Agents, through a special study committee on which it is represented by Waldo O. Hildebrand, secretary-manager, is presenting a proposal for training honorably discharged war veterans in the insurance business through actual work in agencies.

Under the program, an agency would be designated as a place of education for a veteran wishing to enter the insurance field and he would receive the regular federal subsidy while taking this special training.

Several conferences on the subject have been held with other members of the committee, who have indicated favor for the project. The final plan, it was indicated, will be ready sometime in August. The state committee is headed by Dr. Eugene B. Elliott, superintendent of public instruction, who would supervise the training course under authorization of Gov. Kelly.

May Ask Temporary Licenses

The association also intends to propose that temporary licenses be provided veterans while they are taking the educational work, so as to permit them a wider scope in practical sales work in contact with the public during their training period. The departmental qualification test would be given the temporary licensees at the conclusion of their courses in the designated agencies.

Many companies already have organized short term schools at their home offices for training veterans and it is anticipated that these facilities also will be made usable under the formula to be worked out in this state.

Colridge Leaves for New York

Frank C. Colridge, new secretary of the National Association of Insurance Agents, left Oakland, Calif., Saturday for his new headquarters in New York. For a month or six weeks before leaving California, where he has been executive secretary of the California Association of Insurance Agents, he has been busy assisting his successor, E. E. Hayden, in getting the "feel" of the job and to develop meetings with association leaders in the various parts of the state.

Defer Action on Wave Damage Cover

NEW YORK—Despite the action of North America in offering wave wash damage cover, it appears unlikely that the Eastern Tornado Conference will make any move before fall. A meeting was held about a month ago to discuss a proposed form of endorsement to the windstorm policy but it was tabled to allow time to get the ideas of other sections of the country. Because of vacations and travel difficulties it would be difficult to accelerate this program to any extent.

Another reason why the conference companies are exhibiting no great impatience about getting into the market with a wave wash endorsement is that North America's base rate, \$2.25, which can be lowered by various credits to a minimum of 75 cents, is substantially lower than the conference's tentative figure of about \$3. So far as can be determined the demand for the coverage is rather limited even in the areas that were hardest hit by the hurricane of last September. At the same time there is no doubt that there are those who want the coverage and want it badly enough to pay the rather substantial extra charge.

Mass. to Study Rate Regulation

BOSTON—The Massachusetts legislature has taken final action on the bills of Commissioner Harrington and others calling for rate regulation to conform with federal requirement by referring all such bills to the standing joint insurance committee of the legislature to act as a special commission to make a study of the bills and report at next year's session. An appropriation of \$7,500 accompanies the order.

The Massachusetts senate has killed house bill 1400 which would have required domestic insurance companies in the state to pay unclaimed or unapplied dividends to the state treasurer to be held by him subject to the rights of the person entitled thereto.

Herbert A. Clark of Chicago, vice-president in charge of the western department of Firemen's, and his family are spending their vacation on the Clark ancestral acres near Chelsea, Mich. It was on this sacred soil that Mr. Clark was born and reared.

Idea to Further Fire Prevention Gets Under Way

The presentation the other day in Chicago of a fire prevention cup to the Brooklyn Junior Chamber of Commerce by Paul F. Harrington, Seattle, special agent of New York Underwriters, initiates an unusual public relations project. It is Mr. Harrington's idea, and New York Underwriters took it up enthusiastically when he presented it to the company for sponsorship.

Mr. Harrington long has been actively interested in fire prevention, and in his work with the junior chamber of commerce at Seattle and in Washington he made fire prevention a special activity. He urged sponsorship by every chapter in the Junior Chamber of Commerce of a Fire Prevention Week program and of fire prevention activities at other times in the year.

Response Is Excellent

He became chairman of the Washington Junior Chamber of Commerce fire prevention committee and then chairman of that committee in the National organization. He has done a great deal to interest the group in the educational project. Because its members are young, energetic, and willing to work, their response in the shape of prevention programs has been excellent.

The award by New York Underwriters is expected to increase participation by the junior chamber nationally and in local chapters throughout the country in fire prevention work. The award will be presented each year at the annual convention of the junior chamber, when the large gatherings again are held. There is one large cup with the name of the chapter on it, and this constitutes the annual award presented by the company to the junior chamber of commerce that has the best brochure of the year on fire prevention.

At the end of the year the chapter gets a smaller permanent cup to designate it as a winner, and the big cup then goes to the next winner. The National Junior Chamber of Commerce judges the best fire prevention program put on by local chapters. The fire prevention work is reported to the National Board then to its own organization so that the activity ties in with similar effort by the insurance industry.

Premium Reserve Is Not "Profit"

WASHINGTON—The United States tax court has ruled in the Internal Revenue Department case against Federal Union that the unearned premium reserve of a fire and marine insurer is not part of its accumulated earnings and profits for federal income purposes and accordingly cannot be included in equity invested capital as accumulated earnings and profits in reducing the excess profits tax liability.

In 1940 Federal Union issued policies of fire and marine insurance and allied lines and had reinsured a portion of its liability with other insurers. As of Dec. 31, 1939, its net unearned premiums totaled \$766,235 plus additional reserve for unearned premiums on ocean marine risks required by the laws of Ohio of \$26,642. The revenue commissioner excluded both of these items from the company's equity invested capital in determining its average invested capital to be \$2,373,858. The insurer's unearned premiums on reinsurance in force were \$1,264,125 on Dec. 31, 1939, and \$1,367,936 on Dec. 31, 1940. Its reinsurance recoverable on unpaid losses was \$196,161 on Dec. 31, 1939, and \$234,335 Dec. 31, 1940. These were not admissible assets and could not be used in computing the company's average invested capital, the court held.

Dismisses State Court Holdings

The court dismissed the fact that state courts have held unearned premium reserve to be invested capital, commenting that the reserves are given special statutory treatment under the federal income tax law, and that Congress has expressed its intent that the excess profits tax be interrelated with the income tax so as to give the terms of the two acts the same meaning.

As to whether reinsurance recoverable on unpaid losses is an asset, the court cited the commissioner's contention that the insurer was acting merely as the conduit for the payment of the loss. The court said that "the fallacy of this contention is demonstrated by the situation which arises when the insurer becomes insolvent. Even though it pays only 50 cents on each dollar of claims against it, still it collects the full amount of the loss suffered and insured against with the reinsurer."

The court held unearned premiums on reinsurance in force constitute assets. The commissioner contended that even though these were assets, Congress did not intend to allow them as admissible for tax purposes since the counting of unearned premiums on reinsurance in force as an asset of the original investor would lead to a doubling of asset values.

The court said that a glaring fallacy is disclosed in this contention if "we consider the case where the tax payer has no inadmissible assets. The statute requires the reduction of the average invested capital only when there are inadmissible assets." The court pointed out that if an insurance company has no inadmissible assets, the object sought by the commissioner of eliminating this duplication of invested capital by the exclusion of these items from admissible assets could not be attained. Hence the commissioner's contention would work only in fortuitous circumstances where the taxpayer does not have some inadmissible assets.

Capital Increase by Progressive

Progressive Fire of Atlanta plans to increase its authorized capital to \$300,000. Stockholders have approved the move. As of Dec. 31, 1944, paid in capital was \$161,470.

Earl Milkwick, federal public housing authority insurance division chief, recently conferred in New York with Martin Lewis of the Towner Rating Bureau and Joseph Collins of the New York insurance department about various matters.

Woodroffe Takes Charge in Chicago for No. Assur.

John T. Woodroffe, resident secretary of Northern Assurance in St. Louis since 1928, is being transferred to Chicago as manager to fill the vacancy created by the death recently of A. W. Jenkisson.

Earl D. Patton, assistant United States manager, went on from New York to attend to details of the change and to install Mr. Woodroffe at Chicago.

Mr. Woodroffe has been in the insurance business since 1908 and is observing his silver anniversary with Northern Assurance, which he joined in 1920.

He started with Northwestern Fire & Marine at the head office in Minneapolis as a policy-writing clerk, executing policies in long hand. Then he

was placed in charge of the supply department there, and later variously was map clerk, assistant examiner, examiner and chief examiner. In 1911 he was appointed special agent for Montana, operating out of the head office, and in 1912 became special agent for Minnesota, Wisconsin and Iowa.

In 1914 he was state agent for Iowa with Des Moines headquarters, and in 1915 was transferred to Fargo in charge of North Dakota, the company's heaviest field.

Joining Northern in 1920, he continued as North and South Dakota special agent, operating out of Fargo, and in January, 1922, he was appointed superintendent of agencies and transferred to Chicago. Then in 1927 he was moved to the head office in New York as assistant general agent.

Mr. Woodroffe is a past member of the executive committee of the North Dakota Fire Underwriters Association and has been a member of Blue Goose for 31 years and is past most loyal

gander of the Dakota pond. He also is a member of the Life Members Society of the old Fire Underwriters Association of the Northwest.

Ia. Agents Steering Group Meets with New Iberia Board

Members of the executive committee of the Louisiana Association of Insurance Agents held a business session in New Iberia. Members of the New Iberia Exchange attended. The principal question before the committee were post-war educational program, the bank-agent plan, and the agents' qualification law.

Following the executive committee meeting, there was luncheon, and then the regional meeting in the afternoon. Speakers on the program were W. Loring Ferguson, National association executive committeeman from New Orleans, who spoke on the "Imperative Need for Unity in Our Association"; Maurice J. Hartson, New Orleans, on the "Bank-Agent Plan" and Edward Wright of Houma, on "Fire Prevention."

Miss Lily Emmer, president of the New Iberia Exchange, presided over the round-table discussion following the meeting. Present were three past-presidents of the Louisiana association: Wharton Brown, present chairman of the state casualty commission; Leonard Wise of New Orleans, and Alphonse Davis of New Iberia.

Mr. Wise announced the formation of a past-presidents council.

such broad powers on the FTC and the latter can extend its activities on its own initiative.

Flood Claims in N. J. and N. Y.

The sudden floods which hit northern New Jersey and the section of New York state east of Albany have resulted in a number of claims under comprehensive automobile policies. Some claims are also being made under bailie coverage and the personal property floater. A few insured have tried to collect under their water damage policies even though these exclude damage caused by flood waters. There have also been claims under extended coverage where it was obvious that high water or debris broke a window or door but insured have contended the break was due to wind.

Brokers Are Opposed to Countersignature Bills

(CONTINUED FROM PAGE 2)

The association does not oppose the type of countersignature law which provides that policies must be countersigned by a resident agent but objects to laws which provide that all or a specified percentage of the commission must be paid to a resident agent. There is no objection to paying resident agents a reasonable fee for countersigning or for whatever other services they actually render.

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THE CALEDONIAN
INSURANCE COMPANY

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INDIFFERENT
NEVER!

Security Fire
Insurance Company
DAVENPORT, IOWA
"That Friendly Company"

Industry Committee Plans N. Y. C. Meeting Aug. 8-9

Aug. 8-9 are the suggested dates for a meeting in New York City of the all-industry committee composed of representatives of each of the insurance industry groups studying the problems raised by the Clayton, federal trade commission and Robinson-Patman acts. General Manager A. V. Gruhn, of the American Mutual Alliance, who was designated by the federal legislation committee of the National Association of Insurance Commissioners to make the necessary arrangements for getting the representatives together, proposed the dates and place.

The plan agreed on at the hearing held by the NAIC committee in New York City in May was for each group that is studying these questions to exchange memorandums with the others. Thus far only about half a dozen groups have put out their memorandums. The Life Insurance Association of America and the American Life Convention gave their views in a joint memorandum. The life people appear to be mainly concerned over the effect of the federal trade commission act since it confers

CHICAGO

RIRIE AGENCY MOVES AUG. 1

N. Y. The Ririe Insurance Agency of Chicago, operated by H. H. Ririe, will move Aug. 1 in the Insurance Exchange to quarters about four times as large in A-818. This space for a number of years was occupied by the midwestern division of Preferred Accident until it was moved to the Board of Trade building across the street. The Ririe agency will not occupy all of the old Preferred space, the remainder being taken over by Fireman's Fund, whose western department occupies most of the remainder of the eighth floor in the south Exchange.

Mr. Ririe has operated his own agency now for about a year, previously having been a partner with Paul Lange, Jr., in the Ririe & Lange agency, now retitled Lange & Co.

L. & L. & G. AND CHICAGO FIRE

In 1871, just after the Chicago Fire, a number of policyholders of Liverpool & London Globe called on W. S. Warren, who was then western manager of the company in Chicago. They asked him if the company would pay its fire losses. They were very much perturbed because a number of companies were unable to pay their claims. Mr. Warren said:

"I do not know, I have heard nothing from the company with regard to payment of the claims. The only information I have had is a cablegram which I received yesterday directing me to contribute \$100,000 to the fire sufferers."

CHECK BROKER ACCOUNTS

A number of offices are checking their brokerage business, especially where brokers have a considerable amount of compensation and automobile business. They are especially apprehensive as to workmen's compensation. If they find that a broker's business is unprofitable, then an analysis is made of various risks to see if the cause can be ascertained.

Chicago President

Sadie M. Hoffman, the new president of Insurance Distaff Executives Association of Chicago, is secretary to Alva H. Small, president of Underwriters Laboratories. She is one of the important persons in the Laboratories organization.

The Distaff Executives were hosts recently to the National Association of Insurance Women at the annual meeting of the officers and executive committee members at Chicago.



Sadie M. Hoffman

SAFETY SUPERVISOR

Here is a man with 14 years safety engineering experience. He has had 8 years insurance and 6 years industrial experience. Well versed in all lines of safety engineering.

FERGASON PERSONNEL

Insurance Personnel Exclusively
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It is often found that one fairly large risk may be causing all the trouble and can be readjusted in a way that will give a more favorable claim ratio.

Mrs. Hugo Dalmar will give a tea at her home at Evanston, Ill., for members of the Insurance Distaff Executives Association of Chicago Sunday afternoon, July 29.

The Samuel T. Jones agency has purchased the local business of E. I. Crockett & Co. at Pueblo, Co. Mr. Jones is an officer in the army, and the agency is being managed by Jack McGuire.

COMPANIES

Continental Shows Big Gains in First Six Months

Continental in the first six months showed an increase in assets of \$14,082,986 to a total of \$145,805,076. Unearned premium reserve increased \$2,530,811 to \$29,024,509. Premiums written were \$16,528,522, and the company had an underwriting profit for the pe-

riod of \$171,751. The net investment income was \$2,384,237. Surplus to policyholders was \$102,539,546 at the half way mark, compared with \$91,357,098 as of Dec. 31.

St. Paul F. & M. Shows Gains in 6 Month Span

Sizable increases in net premiums written, premium reserve, assets and surplus to policyholders are shown in the mid-year statements of St. Paul F. & M. and Mercury. Assets stand



One of the most important factors in getting the things you buy and use from factory to you is the wholesaler. Though you rarely see him, he sees to it that the merchandise you want is where you want it, how you want it, when you want it.

In wartime he, like everyone else, has been handicapped. But when peace comes his services will not only return to their big prewar job, but will increase in importance. For most of the new postwar jobs will be in distribution.

With his large and varied stocks of goods, his many employees, and fleets of big delivery trucks, competent insurance counsel is

vital. Not only does he have large values at risk, but they fluctuate from month to month, and they're subject to unusual transit hazards. So he employs experienced insurance counsel capable of keeping up with the complexities of his insurance needs.

This month the Security Insurance Companies suggest to their agents soliciting in this important field that will expand so greatly in the postwar period. These agents receive a suggested prospect list, a wholesaler-and-jobber line check list, and free survey materials. Topflight fieldmen will help our agents build business in this growing insurance market.

Security Insurance Companies

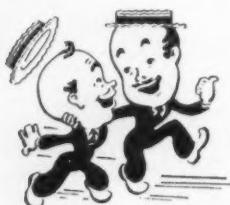
SECURITY INSURANCE COMPANY OF NEW HAVEN
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN
NEW HAVEN UNDERWRITERS
THE CONNECTICUT INDEMNITY COMPANY
1841 — SECURITY, THE NATION'S WATCHWORD — 1945





BE WISE!

THAT'S right! That is our message to you. Be wise! Take on the Reliable Fire Insurance agency! You will quickly see the benefits in increased sales and profits.



WHY not join the increasing list of successful Reliable Agents? Inquire about the Reliable Home Office Cooperation Plan that helps you increase your sales.



OUR agents are always encouraged to call on our experienced and competent State and Special agents for any help they may need. This cooperative plan has aided many men up the ladder of success. Be Successful — be a Reliable Agent!

FOR 80 YEARS A NAME TO RELY ON

For full details write E. J. Weiss, President; John W. Kramer, Secretary; C. B. Dobbins, Assistant Secretary; Reliable Fire Insurance Company, Dayton 2, Ohio.

RELIABLE FIRE INSURANCE CO.
Dayton, Ohio
An independent Ohio company

Standard Protection
CAPITAL STOCK
LIFE INSURANCE

at \$6,569,926, increase \$2,589,479 from Dec. 31, 1940; premium reserve is \$13,920,848, increase \$418,570; policyholders' surplus \$41,737,222, increase \$625,745.

Net premiums written during this first six months were \$11,066,434, increase of \$476,413 as compared with the parallel period of 1940.

Assets of Mercury are \$8,951,872, premium reserve \$3,229,800, surplus to policyholders \$4,651,447.

Net premiums for the six months were \$2,088,647.

St. Paul F. & M. had an underwriting loss of \$230,110 and Mercury a loss of \$120,424.

W. F. Leary, Manager Charles F. Wagner and Assistant Manager A. J. Snow of the Oregon Insurance Rating Bureau and M. C. Godfrey, assistant manager Norwich Union, San Francisco.

Alamo Blue Goose Meets

Harold G. Reinhackel, most loyal gander, announced his committee at the July luncheon meeting of the Alamo Blue Goose in San Antonio.

Special guests were Barney Vanston of Dallas, W. A. Drum, who has been transferred from Ponca City, Okla., to Austin as manager of Fire Companies Adjustment Bureau; R. E. L. Leiper of the South Texas pond and John Benson of the Oklahoma pond.

Oklahoma Preventionists Elect

Jesse E. Murray, Jr., state agent of National Union, is new president of the Oklahoma Fire Prevention Association; Hal F. Watson, Great American, vice-president, and John N. Jones, Phoenix Assurance, reelected secretary.

Col. Searle Kansas Pond Guest

TOPEKA—Col. Howard S. Searle was guest of honor at a special Blue Goose luncheon here and spoke on some of his experiences in the war the past two years. He is a past most loyal gander of the Kansas pond and was also president of the Kansas Fire Underwriters Association. Col. Searle is a veteran of the former war and was state agent of Crum & Forster before being called back into service.

Farewell for Johnson, Zendzian

The annual Blue Goose picnic in St. Paul was in the form of a farewell party for Carl Johnson, Crum & Forster, and M. P. Zendzian, Fireman's Fund, both of whom are leaving the Minnesota field. A softball game between St. Paul and Minneapolis members was the highlight.

Gad O. Smith, who has been placed on the Crum & Forster retired list, has been in the insurance field for more than 50 years, having started in his father's local agency at Sigourney, Ia. He later established his own local agency at Kansas City, Kan.

For many years he has been Missouri state agent of Crum & Forster. A luncheon in his honor was given at Kansas City, attended by some 40 agents and field men.

Bill Liberalizes GI Measure

WASHINGTON — Any insurance company or other lender approved by the veterans administrator could make loans to veterans under the Rankin bill passed by the House unanimously. It now awaits Senate action. The measure makes a number of major revisions in the G.I. bill, especially in loan and educational provisions.

The bill would increase from \$50 to \$60 the monthly subsistence allowance to a veteran without dependents, who may take a course in insurance, for example, and from \$75 to \$85 the allowance for a veteran with dependents. These payments would be in addition to any pension and/or disability allowance to which a veteran may be entitled. Veterans' education at Uncle Sam's expense could be had within a period of nine years after the end of the war. Provision is made for short, intensive post-graduate or vocational courses of less than 30 weeks for veterans, also for government financing of correspondence courses veterans may take.

What's good for the companies is good for the agents . . . and what's good for the agents is good for the companies . . . our problems and our destiny are inseparable.



Fire : Automobile : Inland Marine

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July 26, 1945

IN U. S. WAR SERVICE

William C. Hiestand, son of J. C. Hiestand, secretary of Ohio Farmers, was sworn in as a cadet at West Point. He was graduated cum laude from Culver in June. He was cadet captain of his company.

The other son, Jean Hiestand, Jr., who is in the weather force of the army air corps, is about to head for the South Pacific or China. He was home recently on his shipping out furlough.

M/Sgt. J. J. Wilcox, Emporia, Kan., local agent, who has been overseas since Dec. 1, 1943, with the 566th signal air warning battalion, has been awarded the bronze star. It has been received by his wife, who is carrying on the agency during his absence. He is now stationed at Grafenbergen, Germany.

Lt. (j.g.) John L. Due, son of E. C. Due, vice-president of New Amsterdam Casualty, arrived in Baltimore recently after 18 months service in the European theater as captain of an LCT. He was recently promoted from ensign. Another son, A/C Elmer Due, Jr., is in the naval aviation training school at Memphis and expects to receive his wings soon.

Lt. Theodore L. Prevost, son of Harry Prevost, assistant secretary U. S. F. & G. and chairman Bureau of Personal Accident & Health Underwriters, has returned to Baltimore after being reported missing eight months ago and being in a German prison camp. Lt. Prevost, an air force pilot, was shot down over France last fall and was eventually freed by the Russian army. After a 60-day leave, he will go to Atlantic City for reassignment.

Commercial accident and health policies of leading companies completely described in the Time Saver. \$4 from The National Underwriter.

Fire Prevention Engineer. Real opportunity for a good engineer. Should be free to travel about 70% of time.

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Auto Fire and Theft Adjusters
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Position as a Fire Insurance Fieldman by an experienced man, capable of producing a volume of business. Wisconsin preferred. Address C-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AUTOMOBILE CLAIM MANAGER
Available August 1st for Chicago area. Interested in claim manager or supervisor connection. Seven years in present position. Specialized knowledge of material damage.
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PERMANENT POSITION
With a large Detroit agency. Opportunity and future for men with knowledge of fire insurance business. In replying state age, experience, draft status and availability. Address C-38, Care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

La Oceanica Is Introducing New Covers in Mexico

La Oceanica of Mexico City has now been in operation two months. It was examined and approved by the Mexican insurance department April 27, this year, to write all lines of insurance except life. Authorized capital is 8,000,000 pesos, and subscribed capital is 2,000,000 pesos. This makes the company one of the most heavily capitalized in Mexico.

The company has direct correspondent facilities with the London Lloyds brokerage firm of J. H. Minet & Co. This is said to be the first time that a Mexican company has corresponded directly with London, previous arrangements having all been consummated through the United States.

Reinsurance Treaties

The company has retrocessional treaties and cession treaties with North Star Reinsurance, a group of U. S. companies, London Lloyds, and a group of British tariff companies in respect to fire insurance, reinsurance, inland and ocean marine, and other treaties covering miscellaneous lines.

For the present Oceanica is not entering the United States as an admitted company, though it is applying for a limited license in Texas to write insurance for Americans touring in Mexico. If the company receives a sufficient demand for such facilities, it will consider entering other states.

Kenneth Price, managing director of the company, was for six years with Hartford Accident in Chicago, Swett & Crawford at Los Angeles and more recently with the Victor Montgomery General Agency of Los Angeles, where he was Lloyds department manager.

Price Was Abroad for Time

Before coming to the United States, Mr. Price operated in London and Paris as an insurance broker and correspondent of London Lloyds and at the same time served as branch manager of a large British bank. The Oceanica also has secured the services of several well known insurance personalities who have been operating for many years in Mexico and Latin America.

The intention of the company is, in addition to writing regular lines such as fire, transportation, and automobile now issued by other Mexican offices, to introduce several types of policies hitherto unknown in Mexico, such as open stock burglary, safe burglary, messenger and interior robbery, personal property floaters, other types of inland marine insurance, use and occupancy, comprehensive liability, etc. The company already is writing several of the new lines with considerable success. It will extend its operations to other central and Latin American countries, particularly Venezuela and Colombia.

Craft Agency Successful in Organization Work

George L. Craft, president of the Craft Agency, Warren, Pa., the 20,000th member of the National Association of Insurance Agents, has initiated action to revive the Warren local board which has been inactive for the past 10 years.

Morton V. V. White, president of the Pennsylvania association, reports that 11 new members have been recorded in Warren with a strong possibility of three more being added. Full credit for this renewed interest in association affairs in this small community is attributed to the Craft Agency by President White.

Agency Established in 1866

The Craft Agency was established in 1866 in the reconstruction period following the Civil War, and it still has its original company, North America. Other companies represented are Con-

nnecticut Fire and Fidelity-Phenix. Since Warren is a petroleum production center, 85% of the agency's business is in the special hazards class requiring service facilities in 14 states other than Pennsylvania.

George L. Craft, president of the agency, is an alumnus of Penn State College, class of 1902. An oil refinery engineer, he entered the insurance business in 1907. Floyd L. Rice, formerly of Pittsburgh, became associated with the agency as treasurer in 1938, having been in the insurance business 18 years. During this time he pioneered in insurance agency management and accounting. He has written numerous articles for the insurance trade publications and

is considered an authority on the subject in insurance circles.

Let Indian Tribes Insure

WASHINGTON — Authorization of use of funds of Indian tribes for insurance premiums has been proposed in S.1235, introduced by Senator O'Mahoney, Wyoming, "by request." The measure provides that tribal funds of Indians under government control may be used for paying premiums on protection of tribal property against "fire, theft, tornado, hail, earthquake, or other elements and forces of nature, and for protection against liability on account of injuries or damages to persons or property."



Rhode Island

A Small State with an Impressive Background

The honor of being the organizer of the first woman's club goes to Anne Hutchinson, who, while not Rhode Island born, chose this state for her home. Women were not allowed at certain meetings for religious discourses in Massachusetts, so she began meetings for women only. The authorities did not object to her organizing women, but objected seriously to her daring teachings, such as all classes of people having equal rights before the law. For spreading such doctrines, she was tried by a church court and ordered, together with her large family and eighteen sympathizers, to leave the state. Being a woman of religious convictions strong enough to have caused her to follow the Reverend John Cotton from England, she was welcomed in Rhode Island by Roger Williams, America's first champion of free speech.

In Providence, Anne and her husband became influential leaders. With the group who had accompanied them, they formed a settlement on the Island of Aquidneck. After the island was bought from the Indians, the settlement grew rapidly, attracting many other seekers of spiritual freedom. Later the Bay Colony Ministers sent three members to inform the exiles that they might return upon recanting Mrs. Hutchinson's theory of inner sanctification, or the "Covenant of Grace," but the group chose to remain in Rhode Island.

Anne Hutchinson continued to be a great leader, and a "useful nurse and neighbor," until the death of her husband in 1642, when she moved to New York, where she and all of her family were killed in 1643 by the Indians.

The Rhode Island Insurance Company, like Anne Hutchinson, has found this Small State with an Impressive Background a friendly place for living.

RHODE ISLAND INSURANCE COMPANY

PROVIDENCE • RHODE ISLAND

Progressive in Outlook—Conservative in Management

FIRE • AUTOMOBILE INLAND MARINE

OCEAN MARINE



EDITORIAL COMMENT

Emphasis on Merchandising

It has been interesting to watch the attitude of the companies toward the residence and outside theft policy. Here is a tremendously popular form. The public likes it. It is just what the doctor ordered. It was admittedly experimental, as all new forms are. It was, as nearly as possible, a countrywide, identical form at substantially the same price. Only in the four boroughs of New York City was the old plan of selling two coverages to do the job of one continued.

Experience has been bad on the form in some localities. The outside feature, which in effect was offered free when the policy was revised, has cost the companies some money.

Expressive of the traditional caution of the underwriters have been the suggestions: (1) That on premises and outside portions of the cover be separated and a charge made for each. This would be a step backward, away from the public's desire for an inclusive, comprehensive type of coverage. The something for nothing feature appeals to them and would continue to do so even though a higher charge for the whole policy were made. (2) That a deductible be used. This would make the coverage more restrictive as under point No. 1, and would give the public a choice on the basis of price which would lead to purchase of the more restricted policy and would tend to breed dissatisfaction in case of loss. (3) To increase

the rate and leave the coverage as is. Several other restrictions on coverage have been suggested in view of increased losses. It is apparent, however, that so far at least, underwriters are willing to be positive rather than negative. Except in the case of New York they have voted to keep the coverage as it is, as inclusive and as simple as possible. Their thinking at present points to continuing the policy unchanged in the rest of the country as long as possible and to meet high loss ratios in specific states by increasing rates there.

It is always difficult in insurance to separate underwriting from merchandising, but it is clear that merchandising should get the nod whenever possible. Seldom if ever has the burglary business had a form so well liked by the public. Some underwriters have sought to explain its popularity by saying, "Sure everyone would like to buy dollar bills for 75c." Unquestionably the policy is a bargain, but its popularity does not rest wholly on price and perhaps much less so than is supposed. In a time of great prosperity, price can hardly be said to have had the chief influence in its widespread sale. It has sold well principally because it has salability in high degree. What the insurance business does with the contract will indicate to some extent its ability to merchandise as well as underwrite. It would be better to hike its price than to change so marketable a product.

Progress in Research

The National Board has decided to establish a research department and has secured an expert in that line as its head. The mills of the gods sometimes grind slowly but ultimately they grind and the grist is always of a good quality. To be perfectly frank this step should have been taken some years ago because great industries have been doing much along lines of research. Insurance has fallen behind in this direction in spite of its immensity and close relations with the public.

The present war has emphasized the need of research. Scientists and other experts have been busily engaged in exploration and experimentation. Tremendous results will come from their efforts.

It is only natural that fire insurance and its various ramifications should have a well established and intelligent research department. There is an oppor-

tunity for constructive work of a high nature. We need to find out what the public is thinking. We should study the demands of policyholders. It would be of genuine use to the industry if it could sound its policyholders and find whether they had grievances and whether they were justifiable. Furthermore there are certainly new markets to be opened to insurance. We are on the verge of possibly world wide expansion.

There is hardly a subject in connection with fire insurance but what lends itself to further study. Some of the far seeing executives have been urging that a research department be put into action for some years. They realize that insurance must keep step with the great business and commercial procession. Out of this research work should come most valuable ideas. It is a big step forward and we congratulate the National Board on this recent move.



SURE-KINTER'S A NICE GUY ALL RIGHT - BUT HE'S A DOPE. HE'S SPENDING FIVE YEARS TO PAY AN \$8500 LIABILITY VERDICT BECAUSE HE DIDN'T CARRY AUTOMOBILE INSURANCE.

PERSONALS

Secretary of Labor Schwellenbach has announced his intention to recommend promotion from assistant secretary to undersecretary of labor of **Carl Moran**, local agent of Rockland, Me., if Congress will authorize creation of the undersecretaryship.

Richard Ogilvie, son of **Kenneth Ogilvie** of Chicago, western general agent of the Norwich Union Fire, is now at the home of his parents in that city, having been released from Valley Forge General Hospital at Valley Forge, Pa. He was in the army in France and was wounded. His brother, Robert, is a marine and is serving in the Pacific area. Richard was serving in a tank corps.

Dwight Ingram of Griffin, Ingram & Pfaff, Chicago agents, was in Philadelphia last week giving an address before a trade organization. He discussed insurable values and the necessity of keeping a close tab on the valuation of insured property. He also discussed insurance needs of smaller manufacturers. He built up a program and suggested the line of procedure for them to follow if they desired strong and adequate protection.

F. J. Barclay, vice-president of Fire Association, was recently married to Mrs. Margaret Gruener Tiffet.

Harry M. Forrey of Minneapolis, state agent for Fire Association, took part in the Chicago-Mackinac sailing race that started Saturday afternoon. He was a

member of the crew of the Q boat Scimitar.

Commissioner Neel of Pennsylvania will represent Gov. Martin at the 150th anniversary celebration of the Treaty of Greene Ville at Greenville, O., Aug. 3. **Theodore M. Gray**, secretary of the Ohio Association of Insurance Agents, who is state senator for the district in which Greenville is located, has been active in the arrangements for the celebration.

Former **Gov. John W. Bricker** of Ohio, now president of Mayflower Mutual, is general chairman of a centennial development program for Capital University, a Lutheran institution at Columbus. **Clare E. Cook**, treasurer of Republic Mutual, is a member of the executive committee. An effort is being made to raise \$500,000.

Byron R. Ward of Topeka, Kansas special agent of Glens Falls, on his way home from a trip to the home office, stopped off in Chicago over the weekend for a visit with his son, Robert B., who is just completing his training as a radio technician at Navy Pier there.

Miss Irene Dahl, head of the fire underwriting department in the Los Angeles branch office of Home, has just celebrated her 25th anniversary with the company. Her whole insurance career has been with Home. At a luncheon she was presented the 25-year silver medal and a framed 25-year certificate, as well as a Quarter Century Club pin and a silver gift from her associates in the Los Angeles office.

THE NATIONAL UNDERWRITER

PUBLISHED
EVERY THURSDAY

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DEATHS

T. W. Dealy, Insurance Publisher, Dies in Atlanta

Timothy W. Dealy, vice-president of the "United States Review" of Philadelphia, and for over half a century a prominent figure in the field of insurance journalism, died at his home in Atlanta July 23. Mr. Dealy was a native of Connecticut, but his entire business career was spent between Chicago, where he became associated with the "Argus" in 1888, and Atlanta, to which city he transferred his home in 1913. He became business manager of the "Argus" in 1895, editor in 1905 and proprietor in 1909. The "Argus" was merged with the "Insurance Herald" of Atlanta in 1913 and shortly after the purchase of the "Southeastern Underwriter" in 1917 the name of the publication was changed to "Insurance Herald-Argus" and later to "Southern Underwriter," under which style Mr. Dealy continued until 1929 when he joined forces with the "United States Review."

He is survived by his second wife, Mrs. Georgina Dealy, and by the children of his first wife, William J. Dealy of Danville, Ill., and Mrs. George F. McNulty of Atlanta; a brother, Richard M. Dealy of Holland, Mich., and by several grandchildren and great-grandchildren.

Funeral services were held from St. Anthony's Catholic Church in Atlanta.

Arthur R. Ahlgren, well-known local agent of Berkeley, Cal., past president of the East Bay Insurance Exchange and active in the California Association of Insurance Agents, died suddenly from a heart attack while vacationing in Placerville, Cal.

Edward M. Knijt, 53, local agent at Appleton, Wis., died from a cerebral hemorrhage, following an illness of several weeks.

Stanley C. Hanks, 72, president of the Hanks & Bush agency, Madison, Wis., died from a heart ailment.

A. R. Novotny, for five years a local agent at Prague, Okla., died there. He was also vice-president of the Prague National Bank. The agency has been taken over by H. D. Hinson, also vice-president of the bank.

John W. Huntsberger, 31, manager of the insurance department of W. M. Garland & Co., Los Angeles, died from a heart attack. He was a son of W. J. Huntsberger of Huntsberger & Chapman, general agents.

George W. Wolfe, Chicago independent broker and former class 1 agent, died at the age of 62. He had been in the insurance business since starting as office boy for North American Accident in Chicago in 1899. Mr. Wolfe was born in Cincinnati.

He early developed selling ability and was sent out on the road by North American Accident, being quite successful. Then he helped to organize Great American Casualty and Standard American Fire of Chicago, becoming president. E. H. Steffelin was his partner in this venture and became an officer of the companies, which were reinsured about 15 years ago. Messrs. Wolfe and Steffelin operated a class 1 agency as Wolfe & Steffelin. Mr. Steffelin died about six months ago from a cerebral hemorrhage.

Since the companies were dissolved Mr. Steffelin had operated as a broker, and recently with the title George W. Wolfe & Co. in quarters of the General American Life service office. The office will be continued with Miss Virginia Wolfe, a daughter, in active charge. She has been associated with her father in his business for about 10 years. Mrs. Wolfe, who formerly appeared as a dramatic reader, survives him.

E. B. Moore, president of the Moore & Walker agency, Kingsport, Tenn., died there. He had been in the insurance business in Kingsport 15 years.



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Washington Airport Situs Big Question in Plane Crash

Research Puts Spot 100 Feet in D. C. May Save \$30,000

WASHINGTON—The Page Airways crash at the Washington airport last April promises to be one of the most interesting in the history of aviation insurance. Although the liability of the air line has not been settled, one knotty problem has already been threshed out—whether the accident occurred in the District of Columbia or in Virginia. The answer involves a potential saving to the insurers of \$30,000.

The plane, a Lockheed Lodestar, crashed April 27, on a takeoff run after refueling at Washington. Six passengers were killed and five passengers, the pilot and copilot were injured. Page Airways operates a charter service from Rochester, N. Y., to Miami and the plane was on its way to Rochester.

Where Is Airport?

The death limit is Virginia is \$15,000 and in the District of Columbia \$10,000. The Washington airport is almost literally in "no man's land"—filled ground on the Virginia side of the Potomac, the course of which has been altered slightly a number of times by various construction projects.

J. T. Dickson, Jr., head of the Dickson Adjusting Co. here, and S. J. Butler of his organization, who handled the claim, were forced to seek the answer to this important question from old and almost forgotten records. Records of congressional committee hearing in 1791 established that the high water mark of the Potomac at that time was the Virginia boundary. The next step was to secure authentic charts of that period.

Half and Half

These charts showed the airport to be neatly divided between Virginia and the District of Columbia. The administration building is in Virginia, but the runway on which the crash occurred is in the District of Columbia, the exact point of the accident being 100 feet within the District.

The case will be tried on the federal district court in New York this fall and no difficulty is anticipated in getting these findings accepted by the court. It is by no means certain that the air line will be found guilty of negligence in this case, but, even if the worst should happen, the 100-foot margin will reduce the maximum possible liability for the death claims by \$30,000.

Many other factors will undoubtedly be brought out at the trial and the case may be an important milestone on matters pertaining to the operation of charter lines. The hull was a total loss of about \$68,000.

The Dickson organization is currently averaging about three aircraft claims a week, an indication of the post-war importance of this business.

Standard Accident Outing

The Men's Club and Women's Club of Standard Accident will enjoy an outing at Bob-Lo Island in the Detroit river July 27. The trip to the island will be made by steamer. The outing is for employees and members of their families.

Professional Group Ban in Iowa Upheld

Court Sustains Fischer's Denial of License to Commercial Casualty

DES MOINES—The district court here held that group insurance sold by Commercial Casualty to the Iowa State Bar Association is "illegal." It upheld the action of Commissioner Fischer of Iowa in refusing to renew the company's license because the group accident and health policy with a death benefit provision had not been approved.

Judge Murrow ruled that the company's plan of selling group insurance was illegal because it "discriminates in rate between persons of the same class" and discriminates in the terms and conditions in favor of the members of the bar association.

It stated that the word "class" as used in the Iowa law does not permit arbitrary distinctions and "to divide a profession into classes on the basis of organization membership or non-membership creates an arbitrary and artificial distinction."

The court said that the company "under its plan made a contract or insurance agreement other than as plainly expressed in the policy and special favors and advantages in benefits to accrue thereon are offered to members of the approving organizations as an inducement to insurance."

"The plan of the company would vary and alter the written contract of insurance by parol, and if the plan is not fraudulent in and of itself, it is permissive of frauds on the part of salesmen and others."

The court classified the policy as a life policy because it provided for a death benefit and held that discrimination in rate is "clearly prohibited" under the section of the Iowa code on life companies.

The decision also added that the facts presented show the company had issued policies without having submitted them to the insurance department for approval, which was in violation of the state law.

Commercial Casualty is now covering several hundred professional groups in all parts of the country, including members of medical, dental, bar, pharmaceutical, optometrical, certified public accountant and funeral director organizations. Testimony at the trial showed it planned to offer the coverage to such organizations in Iowa and had issued policies to members of the Woodbury County Medical Society and the Sioux City Bar Association and that a portion of the latter policies are still in full force and effect.

The plan requires 50% of the membership of an association. A disability policy is issued regardless of past physical history and up to 70 years of age.

The State Bar Association entered the case as an intervenor. It is expected that the decision will be appealed to the Iowa supreme court.

Surety Standard Accident Writes Big War Housing Bond

Standard Accident has written a 50% performance bond and a 40% payment bond on the \$2,432,000 contract for construction of 440 dwelling units at 39th and Wentworth in Chicago. The contractor is Sherry-Richards Company of Chicago, and the project is war housing for colored people under the Federal Public Housing Authority. M. J. Scheemecker, manager of the bonding department at Chicago, handled the matter for Standard Accident.

H. & A. Conference Conducts Institute

Forum for Executives at Purdue Takes Up Topics of Broad General Interest

By HOWARD J. BURRIDGE

LAFAYETTE, IND.—A three-day accident and health insurance executives institute is being held at Purdue University this week for members of the Health & Accident Underwriters Conference. It is frankly an experiment, the first of its kind, and unlike most insurance gatherings. It is really a clinic or forum on broad general subjects. No such questions as acquisition cost, limited policies, claim expense or any of the usual problems of the business are being considered. The speakers, mostly university professors, have been discussing research, public relations, investments, public affairs, public health, government agencies, the returning veterans problem, etc. The program was designed and carried out along lines radically different from those of most insurance meetings.

Purdue has an interest in insurance training and education far ahead of most universities, at least those in the middle west. Years ago it inaugurated courses in life, fire and casualty. Last winter its first class in accident and health was held and others will follow this fall and winter. Its life courses have been especially successful, and are growing in size and scope. R. P. Stewart, vice-president and comptroller of Purdue, is also vice-president of Standard Life of Indianapolis. As George E. Davis of Purdue's staff, who was in general charge of the sessions, expressed it: "The interest of Purdue University is to help make the insurance man more nearly professional than he is today."

Forty Executives on Hand

Difficulties of travel, especially for those in the east, held the attendance down to 40 instead of an anticipated fifty or more. Those who made the trip stayed in rooms of the Purdue Memorial Union. The meetings were held in the same buildings, meals were obtained at the cafeteria, and so there was an atmosphere of "going back to school." Harold R. Gordon, managing director of the H. & A. Conference, was the mentor and guiding spirit throughout the affair, always on hand with the right answers.

A chicken dinner, served at Lincoln Lodge on the banks of the Wabash, served as a sort of good fellowship get-

(CONTINUED ON PAGE 19)

Here Is One Customer Who Regrets Rate Cut

It may be true that the insurance buying public demands lower rates but at least there are exceptions. One surety company reports that the other day a paving contractor who had been accustomed to paying the \$1 rate for years was startled to find that in connection with his latest job, he was billed at the rate of only 75 cents. He called on the surety company and was told about the rate reduction that had just taken place. He asked whether he could not be billed at the old rate, saying that the local agent was very valuable to him, had done him many favors, given him excellent service and he didn't like to see his commission income reduced. The surety company regretfully said it couldn't take his money.

Towner Reduces Public Official Rates in N. Y.

Turns Down Annual Limit and Blanket Bond: Department Comments

NEW YORK—The New York department has approved a filing of the Towner Rating Bureau for public official bonds in New York state which results in an estimated 28% reduction. At the same time the department filed its decision on part 2 of the report on examination of the Towner Bureau, which covers public official bonds in New York state.

Principal reductions in the revised schedule are a 40% cut for treasurers and a 30% cut for tax collectors. Treasurers account for about 27% of the total premium on public official bonds in New York state, while tax collectors account for 21.5%. Bonds on officials who are tax collectors as well as treasurers bring the total on these two classes to more than half the premium volume on public officials in New York state.

The schedule establishes a uniform rate for treasurers and this is expected to make the volume of experience on this class large enough to be a sound basis for rate-making.

The schedule is simplified by reducing to \$3 all the not-otherwise-classified positions that carried a rate above \$3.

Need Reasonable Rates

The examination report, which was made by Senior Examiner H. A. Kahn, mentions that the report and appended tables "indicate the need for affirmative action to effect fair and reasonable rates for public officials."

The principal matters which require correction may be summarized as follows: (1) elimination of rate differentials between classes of risks of like or substantially like character; (2) establish uniform rules with respect to minimum premiums; (3) adopt uniform rules relating to annual bonds; (4) establish uniform bond forms; (5) with respect to public employees blanket bond, this coverage should be made available to all public officers that may desire to purchase it and the rating treatment should be the same as applied to commercial concerns; (6) rates should be reduced as indicated in the tables of classified experience appended to this report subject to adjustment rate reductions which have not been reflected in the experience."

The report suggests that a permissible loss ratio for public official bonds could be arrived at by taking the expense ratios for the five years 1938-42 inclusive for general fidelity lines before adjustment for acquisition cost and provision for profit, as reported in the casualty experience exhibit. These are: general administration 13.5%; taxes, licenses, and fees (excluding federal income tax) 3.5%; inspection and bureau, 0.7%; unallocated claim expenses 5.5%.

The companies are pledged to the rules of the acquisition cost conference limiting total production costs for general fidelity lines to 30%. Allowing 2½% for profit and considering the above expense ratios, which total 53.2%, the indicated permissible loss ratio becomes 44.3%.

The new filing submitted by the Towner Rating Bureau produces sub-

(CONTINUED ON PAGE 17)

O'Meara American Casualty Coast Vice-president

American Casualty and American Aviation & General have appointed R. J. O'Meara resident vice-president of the newly established Pacific Coast department in the Stock Exchange building, 155 Sansome street, San Francisco.



R. J. O'Meara

resigned in 1934 to become superintendent of the bond department of the metropolitan office of Hartford Accident in San Francisco; and subsequently served in a similar capacity in the Pacific Coast branch of Fidelity & Casualty. He also served that company in California and the Pacific Northwest. In 1941 he joined General Casualty of Seattle, supervising underwriting and production of fidelity and surety business. Mr. O'Meara will for the present supervise and handle the underwriting and production of all fidelity and surety business in the California and Pacific Northwest territory for the American Casualty companies. Complete underwriting, claim, inspection and audit facilities will be installed in the Pacific Coast department.

Several Insurers Protest Illinois Tax: Some Sue

A number of companies in Illinois have paid their annual state premium taxes under protest, and some of them have filed suit to recover taxes paid under protest. It is understood that suits are being prepared by five or six companies other than those listed below. The fire and casualty companies that have filed suit, together with the amount of premium tax involved are American Fire, \$565; American Indemnity, \$6,805; Hawkeye Casualty, \$10,832; National Life & Accident, \$37,231, and \$15,814.

Companies that have paid under protest, with the amount of tax involved, are Hartford Steam Boiler, \$9,157; Jersey of New York, \$3,867; Pacific Fire, \$2,445; Bankers & Shippers, \$2,435; Employers Reinsurance, \$896; Eureka Security, \$1,258; Monarch Fire, \$2,274; Pearl, \$6,207; Maryland Casualty, \$30,027; Standard Accident \$30,655.

Companies have 30 days after paying taxes under protest to file suit for their recovery. The suits are based on the fact that since the Supreme Court has held that insurance is commerce, there is discrimination between the tax rate on domestic and foreign insurers. It is also brought out in the suits that the companies are paying 18 times the cost of state supervision of insurance according to published figures, via premium taxes.

National Auto Hearing Continues in Los Angeles

LOS ANGELES—Hearings on the National Automobile & Casualty case before the insurance department continued along the same line this week. Routine witnesses were examined and Neil Cunningham, company counsel, continued his objections to questions and procedure, threatening to file a petition in the superior court for a writ of mandate.

Methods of handling compromise and release compensation cases were reviewed. Frank Fullenwider, deputy commissioner, and Lloyd Wright, company counsel, clashed over the testimony

A.M.A. Has 14-Point Program for Extending Medical Care

The American Medical Association in the current issue of the Journal of A.M.A. announces its 14-point program to extend medical care to all people in all communities. It attacks the Wagner-Murray-Dingell bill as leading to "regimentation and totalitarianism" and emphasizes that its program does not require increased taxation.

It calls for (1) improved housing, nutrition and sanitation, (2) extended program of disease prevention, (3) increased voluntary hospitalization insurance, (4) development of voluntary sickness insurance plans, (5) provision of hospitalization and medical care to the indigent by local authorities under voluntary insurance plans, (6) a medical survey of each state, (7) locally administered federal aid where necessary, (8) extension of information on voluntary plans to all people, (9) a continuous survey of all voluntary plans, (10) discharge of physicians from armed services as rapidly as possible, (11) increased availability of medical education, (12) postponement of consideration of revolutionary changes until after the war, (13) adjustment of draft regulations to permit students to study medicine, (14) study of postwar medical personnel requirements.

Mysterious Disappearance Not Covered, Court Holds

The Connecticut supreme court of errors in Savin Express Co. vs. Hanover Fire decided in favor of the insurer the issue of whether or not a "mysterious disappearance" is covered under a truck cargo liability policy insuring "theft of an entire shipping package." The question of whether or not there had been a theft was submitted to the jury and was determined in favor of the truckman. The trial court found for the insured. On appeal the judgment was reversed.

The higher court pointed out that the insurance was against theft of an entire shipping package, holdup and hijacking, but excluded all pilferage. The truckman received at New York two packages consigned to Pawtucket, R. I., and failed to deliver one of them. The shipper brought suit and collected, and the insurer declined to reimburse the truckman. The trucker could not furnish much information about the shipment, its drivers and platform men could not recall what had happened. The trucker's records were destroyed on order of the New London board of health because they were contaminated by the flood that followed the September, 1938, hurricane. The court said there was not sufficient basis to infer that the package in question had been stolen. It might have blown off the truck, been left in the street, or delivered to the wrong address. The loss was, as the Hanover claimed, a mysterious disappearance which was not covered by the policy.

The trucking firm was represented by Charles Suisman, New London, Connecticut, and Hanover Fire by Rein, Mound & Cotton, New York City, and Wm. J. Willett and George C. Morgan, New London.

Cleveland Examinations Winners

CLEVELAND—Those receiving the highest grades in the Insurance Institute of America examination just concluded, according to Charles S. Kowalek, chairman of the department of education of the Insurance Board of Cleveland, were: Fire course, Miss Kathleen Keay of White & Wilson; casualty, Miss Ruth Bolz, Aetna Casualty; surety, Miss Arline L. Janes, American Surety.

of Frank B. Lane, San Francisco claims supervisor of National Automobile.

On election of the company counsel, it was agreed to take a recess of a week following the closing of the department's case.

Hold H. & A. Conference Annual Meeting Sept. 25

The annual meeting of the Health & Accident Underwriters Conference has been set for Sept. 25 at the Edgewater Beach Hotel in Chicago. The attendance will be limited to the officers and executive committee but in connection with the election of officers an advisory mail vote will be conducted, the selection thus made to be confirmed officially at the Chicago meeting.

Greatest interest of course attaches to the selection of a new chairman of the executive committee, who would thus be put in line for the presidency next year. Among those who have been suggested for that post are Paul G. Garey, Commercial Casualty; V. J. Skutt, Mutual Benefit Health & Accident, both now members of the executive committee, and E. A. McCord, Illinois Mutual Casualty, now conference secretary. R. J. Wetterlund, Washington National, now chairman of the executive committee, undoubtedly will be advanced to the presidency.

Tax Allowances to Two Companies

WASHINGTON—Internal Revenue Commissioner Nunan has determined over-assessments of income and defense taxes for 1940 and interest of \$34,307 in favor of Metropolitan Casualty and \$23,919 in favor of Commercial Casualty.

The most of these amounts represent allowance of additional deductions for losses incurred during the taxable year on insurance contracts.

III. Mutual Half Year Gains

At the annual meeting of Illinois Mutual Casualty, President E. A. McCord reported an increase of about 25% in admitted assets and surplus for the first six months. The goal for 1945 is \$1,000,000 in paid premiums and considering the gains made for the first six months, it is expected that this goal will be reached or exceeded.

Broadens Foreign Travel Form

Indemnity of North America is now including \$25 blanket medical coverage with each \$1,000 principal sum on foreign travel accident policies, without additional charge.

It has also broadened its air travel rider for attachment to all full cover commercial accident policies. The new rider removes the "300 miles over water" restriction and extends the coverage to protect insured while traveling anywhere in the world as a passenger in an aircraft operated by a passenger airline on a scheduled trip over its established route, in line with the action of the Bureau of Personal Accident & Health Underwriters.

Brazilian Expert in New York

NEW YORK—Rodrigo de Andrade Medicis, technical director of the Brazilian Reinsurance Institute, who is in the United States studying insurance methods and conditions, has arrived in New York City where he will remain until September, except for trips to Boston and Philadelphia. He will visit the principal insurance organizations and plans to call on Dr. S. S. Huebner and Dr. H. J. Loman, of the University of Pennsylvania.

As secretary of the Brazilian Institute of Actuaries, Senhor Medicis brought a letter of greetings to A. J. McAndless of Lincoln National Life, president of the American Institute of Actuaries, and will present a similar letter to E. W. Marshall, Provident Mutual, president of the Actuarial Society of America.

Confirm Altmyer Reappointment

WASHINGTON—The Senate has confirmed the nomination of Arthur J. Altmyer to succeed himself as member of the social security board.

It also confirmed the nomination of John W. Snyder as director of war mobilization and reconversion.

Fischer Is C. of C. Insurance Chief

New Accident-Health Sub-committee Set Up with Rollin Clark Chairman

WASHINGTON—Following the selection of Chester O. Fischer, vice-president of Massachusetts Mutual Life, as chairman of the insurance committee of the U. S. Chamber of Commerce, it is announced that a new special health and accident section or subcommittee has been set up with Rollin Clark, Continental Casualty, as chairman. Mr. Clark formerly was on the chamber's staff. The full personnel of the new section will not be announced until after further contact with Chairman Fischer. However, information from industry sources is that J. Dewey Dorsett, general manager Casualty & Surety Executives Association, has been selected for membership.

Eric Johnston, chamber president, is quoted as indicating that the new section is created "so that special problems of health and accident insurance may be given full and authoritative attention."

Creation of the new subcommittee apparently is tied up with the fight over social security legislation. The Casualty & Surety Executives Association reportedly decided, as a matter of policy, not to fight the Wagner-Murray-Dingell bill. Continental Casualty has withdrawn from that association. It and many other health and accident companies are members of the U. S. Chamber. Creation of the new subcommittee is accredited largely to Continental Casualty and Insurance Economics Society influence.

The chamber conducted a referendum vote on social security proposals some time ago, which resulted in a declaration generally favorable to private health insurance, hospitalization and medical benefits, in preference to a national program. The chamber also has declared for handling of public health problems by state and local government, rather than on the national level.

Nixon Special Agent in Ia., Neb.

American Indemnity has appointed H. W. Nixon as special agent in Iowa and eastern Nebraska. Mr. Nixon has been active in Iowa during the past seven years for Maryland Casualty. Prior to that he operated his own local agency and he has also seen service with Travelers.

Mr. Nixon succeeds D. B. Griswold in the Iowa and eastern Nebraska field for the company as Mr. Griswold has been named manager of the recently opened Kansas City branch office.

Mass. Agents Meet in October

The Massachusetts Association of Insurance Agents will hold its annual meeting at the Hotel Kimball in Springfield the first or second week in October.

Excelsior of Syracuse held its annual staff picnic there. Rained out at a place near the city, the group adjourned to President Robert C. Hosmer's home in Syracuse. Mr. Hosmer prepared the meal on his own kitchen range. Forrest H. Witmeyer, vice-president, helped handle arrangements.

John E. O'Neil, president of the National Association of Casualty & Surety Agents and a partner of Fairfield & Ellis in Boston, has been notified that his son, Lt. John E. O'Neil, Jr., 26, was killed in action in the Pacific area. Lt. O'Neil entered the service after graduating from Harvard University three years ago and was commissioned the next year. He was a night pilot and had been awarded the air medal and gold star for outstanding performance in Formosa and the Philippines.

ACCIDENT AND HEALTH

New World-Wide Ticket Accident Cover Offered

Continental Casualty announces new ticket accident coverage for world air travelers available at Pan-American and American Export ticket offices and at travel agencies routing passengers over those airlines. The policy covers travel on any airline anywhere in the world, including British and American military transport where a fare is charged for civilian travel. Premiums are based on the cost of the airline ticket, 25 cents buying a \$5,000 policy in conjunction with any fare up to \$150. Coverage is available in amounts from \$5,000 to \$25,000 on any one life. The new policy also is offered for domestic trips, providing a broader range of coverage at no increase in the premium.

Aside from coverage during flight, the new world-wide ticket policy covers ground coverage during stop-overs, including overnight stops, and for trips to and from airports in connection with an air trip. Medical reimbursement coverage also is available in amounts up to \$50 for each \$1,000 of principal sum coverage and is extended to cover medical and surgical expense incurred within 26 weeks after an accident.

Changes in route, destination, point of departure, alternate means of travel provided by the airline or other conditions beyond the control of the insured person do not invalidate the policy.

Hold Parley on Detroit Blue Cross Hospital Payments

George A. LeBlanc has made public the discussion that took place at a meeting of the hospital insurance committee of the Detroit Accident & Health Association of which he is chairman, with a special committee of the Detroit Community Fund. He reports as follows: "Mr. Woodham, an auditor, employed with Ernst & Ernst, public accountants, had spent about two hours at the Children's hospital of Detroit for the purpose of examining the hospital's account with the Michigan Hospital Service or Blue Cross plan and he stated that the total charges for a three year period were determined by him and that the total credits, which include the cash payments, together with various journal and adjustment entries showed a credit balance on the books.

"Mr. Woodham stated that he did not examine or go into the subject matter of these journal and adjustment entries, but merely found that there was a credit balance."

Says M. H. S. Pays Same Rate

"Mr. MacRae, the executive director of the Community Fund, who was also present, read a letter from Miss Rogers, superintendent of the Children's hospital, in which she stated that the Michigan Hospital Service was being charged the same as any patient entering the hospital and that the Michigan Hospital Service paid them the same rates as charged any other patient."

"The committee, therefore, concluded in their report to our committee that based on the letter of Miss Rogers and the report of Mr. Woodham, they could see no foundation for our charges made more than a year ago."

"However, we were permitted to have written in the record the following, which was reported by Mr. Morgan, the assistant secretary of the Detroit Community Fund."

"Mr. Woodham admitted that he knew nothing about a contract between the Michigan Hospital Service and the

hospital and did not examine it to determine whether the charges as appeared in the hospital record were in agreement with the contract.

"Also, Mr. Woodham made no examination and did not know the nature of the adjustment and journal entries which appeared on the credit side of the Michigan Hospital Service account.

"Our committee interviewed Miss Rogers and she admitted that they did have a contract with the service and that

Mr. Woodham did make an examination, but that she did not know what his findings were.

Legislative Investigation

"We pointed out that we were not questioning Mr. Woodham's report, but we were questioning her statement that the service plan paid the hospital the same rates as charged cash paying patients. We asked Miss Rogers to clarify her statement.

"Miss Rogers admitted with surprise that she had made her statement in such a way as to confuse the Detroit Community Fund. She persisted in tak-

ing a non-committal attitude as to what action she would take."

Mr. LeBlanc states that his committee has been asked to cooperate with a special investigating committee of the Michigan legislature. He said his committee is preparing a brief on the matter which will include its experiences with the Detroit Community Fund group.

"One point at least," Mr. LeBlanc declares, "I think we can agree is being brought out more clearly and that is that the basis of payment accepted by hospitals from the Blue Cross plan is on an entirely different basis than insur-

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ance company certificate or policyholders are required to pay and this, of course, includes cash paying patients who do not have insurance coverage of any kind.

"This is the point and the objective of our committee to expose this unfair basis, eventually accomplishing its correction through education and publicity."

Much Interest in Bureau's Air Travel Liberalization

Great interest is being taken in the action of the Bureau of Personal Accident & Health Underwriters in recommending to its member companies the use of a rider greatly liberalizing aviation coverage under accident and disability policies, to cover travel world-wide on regular air lines and on the North American continent in other classes of planes, without additional premium. The liberalization follows very closely that announced some months ago by Connecticut General Life.

It has been indicated that practically all of the bureau companies will go along with the program, although some of them are not wholly satisfied with it. It is also considered highly probable that most of the larger non-bureau companies also will fall in line, although possibly in some cases only to the extent of granting such extension of coverage when it is requested by present policyholders or prospects, without making any formal announcement along that line.

It is understood that in some companies which have both commercial and monthly premium departments, the question was raised as to whether it should be adopted for the latter department. The monthly premium people felt that it would not make any particular difference so far as they are concerned. There are very few of their policyholders or prospects who would be interested in taking plane trips abroad, which is regarded as the most risky part of the extension, and therefore the company would be taking less chances in offering them such coverage than in the case of commercial policyholders. At the same time, they do not feel that it will have any great appeal to their agents from the sales standpoint.

One of the objections which has been offered to the extension is that the people who would be most benefited by it are for the most part quite able and entirely willing to purchase additional coverage in cases of that sort and that therefore there is no reason for giving it to them for nothing.

There is some difference of opinion as to what effect the new move will have on the sale of special aviation accident policies. Presumably if a man who is preparing to take a plane trip abroad finds out that it is covered under his regular accident policy, he is much less likely to be in the market for any form of special policy to cover the same trip. However, there will always be a market for excess coverage, especially on top executives who may desire a greater amount of insurance for such a trip than they are carrying against the ordinary hazards of life, and there will be some people making such trips who are not now insured at all and therefore will be prospects for the special policy.

Wisconsin Prepaid Care Bill Signed by Governor

MADISON, WIS.—Gov. Goodland has signed the bill passed to enable the Wisconsin State Medical Society and the various county medical societies to establish and operate prepaid sickness care plans. The bill was opposed by labor and cooperative groups on the grounds that it would create monopoly on the part of the medical organizations in establishing sickness care plans.

In reply to criticism, Gov. Goodland said that he had had the bill thoroughly studied by competent lawyers and was advised that it did not create a monopoly

and is at most an authorization by the legislature. He explains that it is an enabling act but does in no way exclude any other plans which are now authorized nor will it prevent any future legislature from authorizing other prepaid sickness care plans operated by groups other than the state or county medical societies.

Gov. Goodland pointed out that the enabling law actually has been on the statutes since 1935, and authorizes the state or county medical societies to undertake and coordinate all sickness care of indigents and low income groups. The new bill, he explained, merely adds to existing law the authority to include others than indigents and low income groups and also subjects such plans to jurisdiction of the state insurance commissioner.

Mrs. Martin's Change

Mrs. Josephine Martin, for 21 years associated with Massachusetts Bonding in Chicago and for the past four years head of its accident and health department, will go Aug. 1 to the American Casualty in Chicago. She was secretary of the Chicago Accident & Health Association the past year. Miss Lorraine Schoenhoeth will succeed her as department head in Massachusetts

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Regional Meeting at Milwaukee

The Health & Accident Underwriters Conference held a regional meeting at Milwaukee for officials of Wisconsin companies, with 18 in attendance, for informal discussion of current problems. Harold R. Gordon, conference managing director, was in charge.

Aetna Life Aviation Liberalization

Aetna Life has made effective a new air travel rider applicable to all accident and disability policies listed in the rider, including all currently written forms except the special automobile accident policy and accident tickets and not only to new issue but policies in force, liberalizing the coverage in line with the form recommended by the Bureau of Personal Accident & Health Underwriters.

MacEwen Tours Southwest

D. C. MacEwen of the accident and sickness department of Occidental Life of California has just completed a tour of agencies at Oklahoma City, Dallas, Little Rock, New Orleans, Houston, Corpus Christi and San Antonio.

Report on Chicago Meeting

The San Antonio Association of Accident & Health Underwriters heard a report on the annual meeting of the National association in Chicago from O. D. Harlan, Security Life & Accident. He cited the consensus that insurance men must know the political leaders and work with them for the good of the policy owners and the good of the business. He emphasized that insurance men will find their best friends in the forks of the creeks, among those who believe in their protection. He also stressed the need for unity among companies and field men, with competition on a sound and fair basis.

Mr. Harlan spoke of the Wagner Murray-Dingell bill and reviewed results of compulsory plans in two states as showing such plans as advocated are costly and unworkable. He outlined briefly the plans which the national organization has set up and the goals which it hopes to reach.

Dr. Phifer in Charge in Ill.

Dr. Charles Phifer, Chicago, is chairman of the Illinois Medical Association's committee in charge of medical service plans on a county basis authorized by the 1945 legislature. County units are being contacted to ascertain where unit will be formed.

World of Omaha has been licensed to write life and disability coverage in Oregon.

CHANGES

Century Indemnity, Standard Surety Revamp Field

HARTFORD — Century Indemnity and Standard Surety have transferred William F. Wilks, former Newark special agent, to Pittsburgh as field manager. Mr. Wilks succeeds Kenneth C. Beals who is being transferred to Ohio as field manager with headquarters at Columbus.

Mr. Beals succeeds Ernest Killer, formerly field manager for Ohio, who has been transferred to Chicago, where he will specialize in fidelity and surety production.

W. A. Sadler will be transferred from Chicago to field manager at Newark, succeeding Malcolm W. deVestey who is being transferred to the home office at Hartford as field manager for Connecti-

cut. Victor R. Macdonald, present Connecticut field manager, will be released for country-wide production.

Western Massachusetts and Vermont territories are being detached from home office territory and set up as a separate and independent area under the management of James F. Manning, field manager at Springfield, Miss.

P. W. Cyr Joins Fish & Schulkamp

P. W. Cyr has joined the Fish & Schulkamp General Agency, Inc., of Madison, Wis., to take the place of J. L. Ashton, who has resigned.

Mr. Cyr has been in the insurance business since 1924. He started with London Guarantee at Chicago and two years later was transferred to Milwaukee to take charge of the Wisconsin claim department. In 1938 he went with London & Lancashire Indemnity as supervisor of Wisconsin claims and to engage in agency development with headquarters at Madison. It is this position that he is leaving to go with Fish & Schulkamp.

Mr. Cyr is succeeded at Madison for London & Lancashire Indemnity by

Thomas Sorenson. He has been in charge of the Chicago claim department for the past year. Previously he had been representing Indemnity of North America in a claim capacity at Freeport, Tex. At one time he was with London & Lancashire Indemnity at St. Paul and Minneapolis.

Helmick Named by Peerless at Chicago; O'Connor Continues There

Peerless Casualty has appointed Andrew J. Helmick resident vice-president at Chicago in charge of reinsurance operations in the midwest. He will resign as vice-president of Bowes & Co. there Aug. 1 to assume his new responsibilities.

Mr. Helmick formerly was eastern underwriting manager of Employers Mutuals of Wausau, Wis., in New York City, which he joined in 1934. He started with Employers Reinsurance in 1916 and was chief accountant when he joined the Missouri department as senior casualty examiner. In 1926 he assisted in organization of Central Surety, serving as secretary and assistant treasurer.

John H. O'Connor, who opened the Chicago office in January, 1944, it is un-

derstood will continue as resident vice-president, which title he has had—but in charge of fidelity and surety business.

Dayton Central Surety Head in East; Quinn Advanced

The item in last week's issue regarding the Central Surety change in New York City was incorrect in some particulars. Davis Quinn, assistant manager of the fidelity and surety division of the eastern department, becomes superintendent of that division.

Resident Vice-presidents Benjamin G. D. Blue and Haydon C. Dayton have been in charge of the eastern department at 110 William street. Mr. Blue has resigned to go with a Boston agency and Mr. Dayton will continue as resident vice-president in charge of the eastern department.

Commercial Standard in Humphreys Office on Coast

Commercial Standard, which has conducted its business on the Pacific Coast through branch offices, has appointed the Thomas V. Humphreys General Agency as coast general agent, and Edmond L. Mitchell, former Pacific

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Coast manager, becomes underwriting manager. Mr. Mitchell joined the Humphreys organization a few months ago as associate general agent.

Cleveland Group Changes Name

The Cleveland Association of Casualty Managers has changed its name to the Cleveland Association of Casualty & Surety Managers. Carl H. Kuhn of F. & D., has been elected president.

Tenn. "Comp" Loss Ratio Down

NASHVILLE—Earned premiums on workmen's compensation policies of 79 companies out of 80 operating in Tennessee in 1944 totalled \$7,216,116 as compared with \$7,374,294 for 1943, but losses paid for 1944 were only \$3,452,351 as compared with \$4,223,473 in 1943. This reduced the loss ratio from 57.27 for 1943 to 47.54 for 1944, according to an insurance department report.

FIDELITY AND SURETY

U. S. Departments Sounded Out on Norton Bonding Bill

WASHINGTON—The budget bureau is expected to prepare a report this summer on the Norton bill proposing that the Treasury Department buy a blanket bond covering all officials and employees on government staffs required to be bonded, and pay premium on same. In this report will be presented for congressional consideration the over-all government view of the legislation proposed. The budget bureau is expected to try to reconcile views of various

executive departments and agencies, which are being received from them, and the budget report may therefore be in the nature of a compromise.

Some of the most important government agencies, from the standpoint of bonding, have not been heard from. The treasury department is understood to have submitted a report representing a compromise of views of its officials dealing with bonding matters.

While offering no objection to the principle of government paying premiums for employees it requires to be bonded, the report is described as not too strong, one way or the other. The department is understood to point to certain advantages.

It calls attention to the department's experience under the losses in shipment funds act of 1937. Under this law, officials say, a small fund provides for a self-insurance plan for all government agencies, covering shipments of government coin, currency, securities, etc. There is no policy or no premium, but losses are taken care of.

Up to 1937, it is stated, the Treasury had a contract with private companies, through Johnson & Higgins, under which it carried a policy covering such shipments. Other government agencies had similar arrangements, it is stated.

Calling attention to the act of 1937 and the plan operating under it, Treasury people think some similar plan might work out satisfactorily in the matter of bonding government employees.

In connection with consideration of the Norton bill, amendments have been suggested, under one of which the heads of the several departments and agencies would be authorized to buy bonds and pay premium covering their respective employees. It has been contended that this plan would tend to split up the government bonding business, instead of having it all centered in Washington, in a single department and even in one individual official.

Travelers Premium Receipt on Employe Bonds O.K.

WASHINGTON—A form of receipt used by Travelers for premium on bonds for Treasury employees is understood to be viewed with favor by officials here, for general use under Public Law 275, approved March 31, 1944. That act provided that instead of renewing such a bond when it falls due, the department was authorized to accept a premium receipt from the company concerned; that payment and acceptance of annual premium on corporate surety bonds furnished by government officers and employees shall constitute compliance with renewal of the bond.

Officials say it has been slow work getting into operation under this law. Company receipts have been reaching the department in various forms, often not indicating the type of bond, the name of the company, etc., it is stated. The department has been working on this matter to get things running smoothly under the law. When it is, there will be considerable saving of time and manpower, it is believed.

The matter has been discussed between department representatives and the Association of Casualty & Surety Executives, which is reported to have issued notice to companies and sent out a standard form of premium receipt for use which will satisfy government people.

Bid on Wash. Official Bonds

Bids on the state of Washington public official schedule bond, covering more than 2,000 employees of 39 state departments, will be opened at Olympia July 30. In addition, there will be a blanket position bond covering over 500 employees of the state liquor control board.

Except for the liquor board bond, the Washington law requires faithful performance of duty, making it necessary

to use a named schedule bond form, instead of the recently developed form of public official bond which is modeled after the commercial form.

Last year Hartford Accident and American Bonding were successful bidders.

Status of U. S. in War Time Question in Contractor Suit

WASHINGTON—Standard Accident and Albert E. McKenzie, as trustee in bankruptcy of Graves-Quinn Corporation, have asked the Supreme Court to review the decision of the court of claims sustaining a government demurrer to suit of Standard Accident, as surety on Graves-Quinn performance bond under a War Department contract for construction of temporary barracks at several New England points for the lump sum of \$1,008,800.

The demurrer related to the claim of \$397,200 damages against the government for alleged breach of contract, the contractor asserting it had to spend that much more to complete the job than it would have, had not the government at the same time carried on cost-plus fixed fee contract work at other army posts in New England. The company had to pay overtime wages and pay higher prices for materials by reason thereof, petition states.

Petitioners also claimed \$72,975 as excess costs incurred by reason of alleged misrepresentations in specifications and drawings as to conditions at site of work; also \$15,245 which was deducted by the government as liquidated damages for delay in contract completion.

It is argued the government had no right to follow the contract course above outlined; and the question is raised whether the government in exercising war powers occupies a different status in dealing with contractors than a private citizen.

Milwaukee-Chicago Outing

The Surety Underwriters Association of Chicago and the Milwaukee group will hold a golf outing at Sunset Ridge Country Club, Chicago, Sept. 14.

PERSONALS

B. H. Henderson, resident vice-president at Chicago of Employers Reinsurance, fractured an ankle playing volleyball at the Union League Club last week and will be laid up at home for a month or six weeks.

Elmer Warner, secretary of Merchants Mutual Bonding of Des Moines and former Iowa field man, is in a Minneapolis hospital suffering from a recurrence of a hemorrhage of the nose. The attack occurred while at the Minneapolis airport and he was rushed to the hospital. He is expected to remain in Minneapolis at least a week.

Mr. Warner has been active the past few months as chairman of the commit-

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tee sponsoring the candidacy of J. H. Bunten for a grand nest office in the Blue Goose.

V. H. Bartholomew, vice-president of the Standard Accident in Chicago, who has been in a hospital there for some time, is now at his home in Janesville, Wis. He purchased a place there and has been commuting back and forth more or less to Chicago. He made it a practice to go to Janesville weekly.

DEATHS

Barney May, 75, president of Northwest Accident & Health, Portland, Ore., died there from a heart attack.

William J. Bennett, 75, from 1917 to 1942 with Fidelity & Casualty in Los Angeles, died there. He joined the company in 1917 as manager of the bond department and he was made district manager in 1926. He retired from that post in 1937, and was assigned to special work by the company. He was presented the company's 25-year medal in 1942. Mr. Bennett went to Los Angeles in 1911. Before that he had been with Title Guaranty & Surety of Scranton, Pa., and on going to Los Angeles was for a time assistant manager of American Surety.

Edward L. Hearn, 79, many years ago president of Casualty Company of America, died at Mamaroneck, N. Y. He became second vice-president of the company in 1907, first vice-president and general manager in 1909 and president in 1916. Later he resigned to devote his time to the Knights of Columbus, of which he was supreme knight from 1904 to 1910. At the time of his death he was a papal count and a knight of Malta.

COMPANIES

West American Capital Increase Is Approved

LOS ANGELES—Commissioner Garrison has approved the application of West American for authority to sell 30,000 shares of stock at a par value of \$10 a share, in order to increase capital so as to meet requirements for entry into other states.

Ohio Casualty recently purchased control of West American, and owns in excess of 29,000 shares of the outstanding stock. The new shares will be purchased by present stockholders.

Investment House Offers to Buy General Re Stock

An offer to purchase all outstanding capital stock of General Reinsurance at \$55.50 a share plus commission to the dealer has been made by Equity Corporation through Huff, Geyer & Hecht. Equity Corporation, an investment company, at the end of 1944 held 38.54% of General Reinsurance's capital stock. It is expected to hold more than 50% at the completion of the present deal. David M. Milton, chairman, and Ellery C. Huntington, Jr., president of Equity Corporation, are directors of General Reinsurance.

St. Paul-Mercury at Mid-Year

St. Paul-Mercury Indemnity in its mid-year statement reports assets \$23,974,022, an increase of \$1,471,522 from Dec. 31. Premium reserve is \$5,768,327, increase \$386,477; loss reserves aggregate \$5,843,376, surplus to policyholders is \$10,292,283, increase \$870,427.

Net premiums for the first six months were \$5,637,155 which was an increase of \$476,222 in comparison with the first six months of 1944.

Employers of Ala. in Fla.

Employers of Alabama has been licensed in Florida for automobile,

compensation, general public liability and plate glass.

Manufacturers & Merchants Indemnity of Cincinnati has been licensed in New Jersey.

Public Official Rates in N. Y.

(CONTINUED FROM PAGE 11)

stantial reductions in a number of classes. In accepting the filings the department stated that in some instances the bureau has not reduced the rates to the full extent of the experience indications. However, the department feels that it is not in the public interest to have wide fluctuations abruptly injected into the rate structure, and it is therefore accepting the reductions as submitted. "Obviously it would be unfair both to the public and to the companies in such cases to wait five years for another review," and for that reason consideration will be given from time to time to needed revisions.

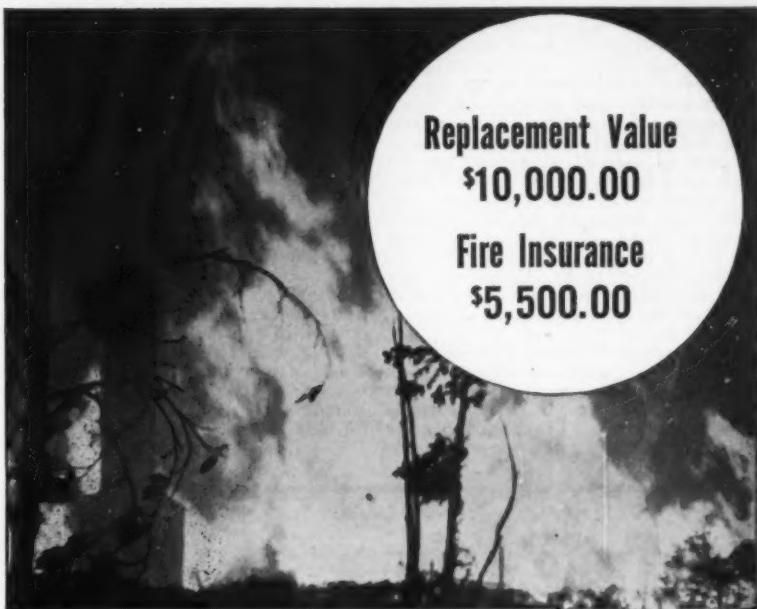
Details of Filing

The bureau filing, effective July 1, establishes a uniform rate of \$2.50 per \$1,000, annual minimum \$2.50 (fully earned) for each item covered under individual or schedule bonds on all state officers and employees except the following on which current rates will continue: Division of the treasury, the newly revised "all treasurers" rate will apply to the head of the division but to all other officers and employees in the division the rate of \$2.50 per \$1,000 will apply; division of military and naval affairs, and fish and game protectors, existing manual rates will apply.

On county, town, city and village officials, treasurers or tax collectors, the present sliding scale of rates is reduced by approximately 40%. The tax collector's rate is reduced from \$1.25 per \$1,000 on the tax roll, maximum \$7.50, to 87½% per \$1,000, maximum \$5.25, minimum \$.5. Present rules relating to treasurers and tax collectors in the manual will continue.

County Officials

County officials: 50% surcharge for annual bonds under the specific provision is continued. Present manual classification of director of finance and county treasurer will be continued but the rates are revised "all treasurers" rates. Present manual classification for



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deputy county director of finance, deputy county treasurer and all subordinates of county director of finance or county treasurer will be continued at the current flat rate of \$4. The new filing establishes a uniform rate of \$3 for all county officials and their subordinates, except treasurers and tax collectors and their deputies and except that the present manual rate of \$5 per \$1,000 for clerks of county and surrogate's court and deputies and subordinates is continued. On all other specifically rated positions under county officials where the rate is now more than \$3, the rate will be adjusted to \$3. Where the rate on a specific position is now given at less than \$3, the specific rate will continue to apply.

Public school systems: Present classification for treasurers, except union free and central school districts will be continued and the revised all treasurers scale applied. The all treasurers revised scale will apply to treasurers or

collectors of common school districts. The revised tax collector's scale will apply to collectors of taxes. On the additional bond of collector or treasurer of rural school districts in favor of town supervisors the current rate of \$3 will continue. The current rate of \$3 will be continued for all other officers and employees of schools, school districts and school boards.

District officials: On treasurer's bond the revised all treasurers scale applies. For all other officers and employees of these districts the rate of \$4 is reduced to \$3.

Treasurers of union free school districts and central school districts: A reduction of approximately 40%. This reduction would also be applicable to the bonds of treasurer of any type of school district in N. Y. state if the treasurer complies with the five point program set forth at manual page N. Y. 123i.

Town officials, present 50% surcharge

on annual bonds continues. Town supervisors, all treasurers scale. For deputies, assistants or employees of town collectors of receiver of taxes, the rate of \$4 is unchanged.

The unclassified rate of \$4 is reduced to \$3. Any specific rate now given for town officials where that rate is more than \$3 is to be adjusted to \$3.

City and village officials, present 50% surcharge on annual bonds is continued. The rate on judges, magistrate or police justices is reduced from \$7.50 to \$4. The rate on court clerks and marshals is reduced from \$7.50 to \$5. The unclassified rate of \$4 is reduced to \$3. Also reduced is the rate on any specifically rated position now listed at page 123n or 123o to \$3 wherever the former rate exceeded \$3.

Other Changes

The discussions between the department and bureau have covered blanket bonds for public employees, term bonds with annual limits coverage, the differential in rates between Rochester and New York as compared with other cities in the state, and the adjustment in rates in accordance with experience indication.

The differential in rates between Rochester and other cities throughout the state have been removed. However, the department acceded to the bureau's argument that New York City falls into a different category than other cities in the state. New York City is the largest city in the state and the suretyship that it carries on its officers and employees is in the aggregate greater than that covered by any other city in the state. It maintains a well organized auditing staff and is therefore in a position to prevent so far as it is humanly possible concealed losses over a period of years. The bureau produced figures obtained from the city of New York to show that for 10 years the city of New York has paid approximately \$215,000 in premiums which resulted in a loss ratio of less than 12%. The department accepted the bureau's contention that for fidelity rating purposes New York City should be treated as a single unit. However, the factors which impelled the department to adopt this contention necessarily requires the consideration of an experience rating plan for New York City, the department stated. The department is deferring action on further adjustments of rates indicated by the favorable loss ratio, but it has pointed out to the bureau the necessity of taking steps immediately to collect and segregate the experience of New York City so it will be available from its own records when the problem receives further consideration. The exploration of an experience rating plan for New York City should include the possible introduction of a similar plan applicable to other sizable municipalities in the state, the department report comments.

One of the points on which there was the most consistent divergence in viewpoint between the department and the bureau was term bonds with annual limits coverage. The companies have not looked with favor on this form of coverage contending that it exposes them to additional liability which they are reluctant to accept. The direct difference of opinion still exists but the department points that there is no provision in the insurance law requiring the superintendent to direct companies to issue such a form of coverage. On the contrary section two of the public officers' law confers on certain state and county and municipal officers the specific duty to prescribe the form of such bonds.

"When the intrinsic value of this form of coverage becomes more generally known, it will culminate either in a demand for this type of coverage to which the companies must ultimately yield if they are to meet the needs of the public or else the legislature may specifically authorize the use of this form of coverage and possibly make its use mandatory," the department stated. The same observation applies with equal force to the use of blanket bonds, according to the department. Should these matters come before the legisla-

ture it might be well to consider at the same time the possibility of differentiating between bonds requiring faithful performance of duties and policies simply indemnifying agencies of the government against losses resulting from dishonesty of officers and employees. The introduction of such legislation should the department states, effect market economies because in many instances where there is need for protection simply against dishonest acts existing statutes unnecessarily require bond and faithful performance.

The department believes the 50% surcharge for cumulative bonds is too much, and it will continue to study the matter.

Companies' Attitude

Apparently the companies would be willing to write an annual bond, that one that is cumulative, providing the comptroller of the state or city would furnish the surety with an annual audit. This would serve to confine a year's losses to that year. Unless the governmental unit buying the bond is willing to furnish such an audit, it is unlikely that the companies will meet the demand for an "annual bond." While theoretically the governmental unit should be able to furnish an audit, as a practical matter it might be unable to do so. A couple of years ago a New York official estimated that with the auditors the state then had available it would require 100 years to complete audits on 12,000 offices under the comptroller's jurisdiction. Of this number 6,000 represented school boards throughout the state.

The objection of the companies to writing the blanket bond even on non-statutory offices is the difficulty of successfully divorcing "faithful performance" from the dishonesty hazards of the office. While statutes differ in respect from state to state, fundamentally in all of them the faithful performance of duty feature is imbedded in the law. There is evidence to support the insurers' contention that whatever special clauses may be inserted in a fidelity bond to cover non-statutory positions the faithful performance requirement of a principal office holder can by judicial interpretation be imposed upon the office holders under him. It is difficult if not impossible, to separate dishonesty from faithful performance in any kind of governmental position.

The trend in recent years has been for states and municipalities to assume payment of bond required by law or regulation. Consequently the state and municipal authorities have become a good deal more interested in bonds their rates and how they are written than formerly, and this interest is likely to grow in the future. This trend is thus directly contrary to the federal law which requires that the government shall not pay any part of the premium or other cost of furnishing a bond required by law of any officer or employee of the United States. Even here, the Norton bill (H. B. 2050) in the present Congress sought to establish a blanket bond for government employees the premium of which would be paid by the Secretary of the Treasury. That bill is now regarded as dead.

Myrl Ott, Long Beach local agent who is a director of the California Association of Insurance Agents, is celebrating the 20th anniversary of his agency.

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H. & A. Conference Conducts Institute at Purdue

(CONTINUED FROM PAGE 11)

together Monday evening. F. B. Knight of Purdue gave a talk, there was community singing, and Mr. Davis recited some of the best known poems of James Whitcomb Riley. The first regular meeting was on Tuesday morning and the initial speaker was Dr. G. S. Meikle, Purdue, who discussed "Research As Insurance for Tomorrow."

Dr. Meikle outlined the research work done at Purdue since 1929 in various fields, discussed cooperative research as a function of education, and described a good research man as "one who all his life has been curious about everything." He emphasized the importance of fact finding through the question and answer method.

Nazi's Rise Reviewed

The other Tuesday morning speaker was Dr. Clark G. Kuebler, president of Ripon College, Ripon, Wis., whose subject was "Man's Quest for Freedom." Dr. Kuebler was a student at Munich University at the time the Nazis came into power. Freedom, he said, is never won without effort, and depends upon enlightenment. Nations lose it gradually and imperceptibly. On the lighter side his bon mot was, "no fish ever got caught with its mouth shut."

Mansur B. Oakes, Taylor Publishing Co., who conducts the accident and health school at Purdue, explained at the opening of the afternoon session that A. & H. courses are scheduled for September, December and March, that enrollment fee will be \$30 and that there must be a registration of 40 for each class.

Vice-president Stewart of Purdue outlined the educational provisions for the returning veteran. He said that public law 16 is a rehabilitation measure for those who have been injured mentally or physically. Public law 346 is intended to aid any veteran to receive additional education. The veteran may select his own college and be given the same number of years of education that he spent in the service.

Cash Sickness Insurance

An unscheduled discussion of a hot accident-health question took place while the group was waiting for Dr. Stewart, who was detained at a trustees meeting. The subject was cash sickness insurance. Harold Gordon predicted that the Rhode Island cash sickness law in some form will be presented in some legislatures in 1946 and in many in 1947. C. O. Pauley, secretary of Great Northern Life, pointed out that in workmen's compensation acts the compulsion is on the employer. He said group health insurance will not be really successful until the employee pays part of the cost. He remarked that 5% of every premium is paid out in some form of tax. The cost of accident and health insurance is the sum of the acquisition and administrative cost, plus the claims expense. With any Rhode Island plan that has been adopted, claims will appreciate considerably, as they have under compulsory workmen's compensation. Administrative control is a big factor and it is operative, Mr. Pauley declared, only when the business is written voluntarily.

Wednesday, Thursday Speakers

Dr. A. A. Potter, acting president, spoke Wednesday on "Research and Inventions as Doors to Opportunity"; Dean William G. Sutcliffe of Boston University on "Health Insurance—Public or Private" and a roundtable session on investments was conducted by part-

EXECUTIVE SECRETARY

Young lady for large casualty insurance company. Good opportunity and pay. Address C-40, Care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Anger Warns About Not Contaminating Bank-Agent Plan

The important thing is for the agents now to start getting in touch with banks and making arrangements, either individually or through associations for cooperative bank financing and local agency insuring of automobiles, Frank Anger, executive vice-president of Industrial National Bank, Chicago, declared in a talk on the bank-agent plan at the Champaign, Ill., regional meeting of the Illinois Association of Insurance Agents. It is important to set up some workable system that all hands can subscribe to. There are a variety of systems all differing in various respects but that is immaterial. The main chance is to get some system in operation. He showed the manual that has been worked out in Michigan and he praised the 32 page bulletin of the National Association of Insurance Agents.

"It behooves us as bankers and insurance men to make certain that none of the evils existing in the finance business creep into the bank and agent plan," he said. "The bank should not expect to share directly or indirectly in the insurance commissions, and in turn the insurance man should not share directly or indirectly in the finance cost. If finance charges are such that the bank can afford to pay a commission, or share the finance cost with the insurance broker, it would be infinitely more constructive that this over-plus be passed on to the consumer. It will not be possible to continue to get public acceptance of the plan supposedly based upon the absence of kick-backs where kick-backs are present to any extent."

Mr. Anger stressed the great opportunities ahead for writing auto insurance, with an estimated car production of about 29 million in seven years following resumption of manufacture. He pointed to the \$833 million of auto premiums in 1941, greater than fire insurance volume. But Mr. Anger warned that finance companies will not be content just to write the fire, theft and collision for the financed period; they also will sell property damage and public liability and will go after renewals. They will sell to the cash as well as time buyer.

"By and large, banks and insurance men have a standing in the community earned by their faithful discharge of their semi-public duties which causes certain segments of the public to do business with them. Whether they reach that conclusion consciously or not, that preference does exist and forms a sound basis upon which to build."

He mentioned that Industrial National

began financing autos under the free competitive plan 10 years ago when the late Robert B. Umberger, executive vice-president, saw the need for the plan. He introduced the idea of bank-agent cooperation, Mr. Anger said. The plan has buyer appeal, for in five years preceding war about \$21 million of this business was done by Industrial National through the one office, and \$8 million was produced directly by insurance men and \$5 million indirectly. Premiums totaled \$1 million.

The plan works, he assured. It profits and benefits car buyer, insurance producer and bank.

ners and department heads of the Paul H. Davis Company of Chicago.

Dr. L. W. Wallace of the Trumble Engineering Co. of Cleveland, spoke Thursday on "Management Engineering"; Prof. C. W. Beese, director of technical extension of the university, on "How Industry and Education View Accident Prevention"; Dr. Henry B. Hass, head of industrial chemistry at Purdue, on "War Research and Post-war Living," and Mr. Gordon will give a resume of the entire meeting.

Sales training from experts in casualty and property lines. Write the National Underwriter.

Rating Machinery Under New Fla. Law Being Set Up

TALLAHASSE, FLA.—Commissioner Larson reports good progress in forming an organization to put into effect the new acts for regulation of rates for both fire and casualty insurance and expects to have it in operation by the first of the year.

So far there have been very few applications from rating bureaus seeking to qualify under the new law. The commissioner says that is probably due to the fact that most of the rating bureaus have been doing business before this law was enacted and would, therefore, have nine months in which to qualify under the fire rating bill, and until the first of the year under the casualty bill.

St. Louis Loss May Run \$1 1/2 Million

ST. LOUIS—Insurers have experienced between 12,000 and 15,000 claims as a result of the hail storm May 14. Total payments may reach \$1,500,000.

Carl S. Lawton, president of Lawton-Byrne-Bruner, said some policyholders who present claims are being told to go ahead and have the necessary repairs made as soon as possible without waiting for the adjuster's inspection. Most of the claims are small. The larg-

est loss, about \$100,000, was suffered by a floral company which had its large greenhouses in St. Louis county ruined by the hail. Florists had losses aggregating some \$400,000. Lumber companies were also heavy losers.

Want Potato Insurance

WASHINGTON—Potato growers of 17 states have been conferring with the Federal Crop Insurance Corporation here on a possibility of adding potatoes to the list of trial programs which now include corn and tobacco. Growers would like the insurance program.

Vice-president E. A. Henne of America Fore, Chicago, presented Bert W. Jones, assistant comptroller of the companies there with "Old Guard" insignia at a luncheon. Mr. Jones started as traveling auditor, became assistant auditor, and then comptroller. He was at one time assistant chief examiner of the New York insurance department.

William H. Van Atta, veteran cashier for the western department of the Boston and Old Colony at Lansing, Mich., died there. He joined Boston and Old Colony in 1904. He had been ill and unable to continue his duties since April, 1944. Prior to assuming the cashiership of the office he was employed as an accountant in the office.



The real test of an insurance company is not the number of years it has been in existence, but how it has conducted itself during its lifetime.

The substantial progress we have shown during the past quarter-century has laid a solid foundation for the building of a promising future. The record thus far achieved is an inspiration for constant and expanding efforts to promote further growth and development.

To the invaluable loyalty and support of our agents . . . the confidence and satisfaction of our policyholders . . . and to all others who have contributed to this record, we take this means of paying grateful tribute.



To Help Veterans Get Auto Cover

The Michigan Association of Insurance Agents is planning to recommend that members assist disabled veterans in obtaining insurance after they have been licensed to operate automobiles. Most of the automobile manufacturers have announced their intention of providing special devices, if necessary, to facilitate safe operation of cars by amputees and the association will recommend that agents submit insurance applications to their companies immediately on receipt, avoiding the delay of requesting letters of rejection and subsequent placing of such business in the assigned risk pool.

Authorities at Percy Jones hospital, Battle Creek, where much work has been done in assisting disabled veterans, particularly amputees, have written Julian Harvey of the Association of Casualty & Surety Executives, seeking information regarding how the companies plan to treat amputees' applications for coverage. The hospital authorities are sponsoring driving courses for the amputees, to build morale and assist them in taking up regular vocations. Many of the men are being licensed to drive. More than 500 such veterans have been examined at Percy Jones from nearly every state of the union and much data has been obtained regarding special equipment needs.

This information is being made available to the insurance executives and it is being suggested that bulletins be prepared by the company organization answering questions regarding insurance for amputee veterans, relative particularly to whether insurance will be available, how much it will cost, and whether there will be rate differentials varying according to types of amputations. Existence of the various financial responsibility acts, many of

them bordering on compulsory insurance, makes the insurance problem a vital one, the hospital authorities noted.

Under the insurance commissioners' resolution, to which most companies have indicated adherence, disabled veterans who show evidence that they can drive safely, are being written in the regular way at standard rates.

Insurer of Bailor Held for Part of Bailee's Loss

NEW YORK—The New York appellate division has rendered an opinion in what is believed to be the first case of a suit by a bailee against his insurer where the latter has been permitted to assert a claim of contribution against the bailor's insurer.

The plaintiff, Barnett, a New York jeweler, was the bailee of two valuable diamond bracelets. He had a hold-up policy issued by Hartford Accident. He claimed the bracelets were taken in a hold-up, and sued the insurer. St. Paul F. & M. had issued jewelers' block policies to each of the two bailors. Hartford A. & I. claimed it had a right to contribution in the event that it was held for more than its pro-rata liability.

St. Paul's Defense

St. Paul F. & M. sought to have the cross-complaint dismissed on the ground that it was unlike those cases where the bailor sued the bailee's insurance company, claiming that in this case the plaintiff bailee was not the person doubly insured and the bailor, who was doubly insured, was not a party to the suit. In addition, St. Paul contended that the existence in the Hartford policy of a pro-rata clause precluded any claim for contribution.

Justice Hammer at special term overruled both these contentions and the appellate division affirmed his decision, which was that in a suit by the bailee

against his insurer, the latter can claim over for contribution against the bailor's insurance company.

Alfred B. Nathan of Nathan, Mannheimer, Asche & Winer represented Hartford Accident in support of the claim to contribution. Bert Cotton of Rein, Mound & Cotton appeared for St. Paul F. & M.

Airline Trip Accident Cover Is Liberalized

WASHINGTON—Greatly improved coverage under airline travel insurance policies will be obtainable at all airline ticket offices throughout the United States commencing Aug. 1, according to the Air Transport Association or America. Heretofore trip accident policies sold to airline passengers have given coverage for a stated number of hours of flying time. Now a passenger will be covered, for the same nominal fee which, up to the present, has provided only four hours insurance, during a trip which may take as long as seven days to complete. A complete round-trip, however, is considered two trips, so that a new policy must be obtained to cover the final leg of the trip back to the point of origin.

The amount of the policy, at a flat premium of 25 cents, is now \$5,000. Coverage is between any two points not served by the same airport within continental United States, and into Canada for a distance of 150 miles.

A trip, within the area specified, on planes of Canadian registry operated by scheduled airlines will also be covered, as well as a trip between any point in that area and any point in Newfoundland via a United States flag airline or Trans-Canada Air Lines. Travel on airlines within the Hawaiian Islands is also covered.

Other features include coverage while riding on conveyances operated by common carriers that provide substitute transportation before arrival at final destination, coverage on land conveyances provided or arranged for by an airline or governmental authority controlling an airport, loss due to exposure, and accidents while waiting at an airport in course of transit.

The new coverage reflects increased airline safety, according to D. deR. M. Scarritt, manager of Associated Aviation Underwriters, which first offered the cover to the traveling public Jan. 1, 1938. Sixteen airlines have flown a total of 5,607,282,009 passenger miles without a fatality since Jan. 1, 1944.

Wait for Signing of Ill. Auto Responsibility Bill

There is intense interest among Illinois insurance men as to the new financial responsibility law which was passed by the legislature making automobile owners responsible for damage incurred. The law follows chiefly the line established by other states although there may be some few changes. The bill has not yet been signed by Governor Green. It is understood that it is in the hands of the attorney general but those who are close to the situation declare that it will be signed in due season. The insurance department is getting ready to do its part in the enforcement of the law. It will be swamped with inquiries until all hands become familiar with it.

It seems likely that the same procedure will be followed in Illinois as has been the case in other states. The insurers will get together and map out a program of education for the agents and public. The agents desire to get information as to the law as soon as possible. Some of the companies and general agencies are hoping that they can get literature of an enlightening nature out although the law does not take effect until Jan. 1. This law will be a

Matthai Executive V.-P. of U.S.F.&G.

U.S.F. & G. has elected Joseph F. Matthai executive vice-president. He will continue to supervise all casualty lines.

Mr. Matthai joined the company in 1915 as an inspector in the safety engineering department, following graduation from Cornell University school of engineering, later becoming superintendent. In 1920 he was transferred to the automobile department as superintendent. Since 1933 he has been vice-president in charge of all casualty lines. He has represented U.S.F. & G. on a number of the committees of the Association of Casualty & Surety Executives and the National Bureau of Casualty & Surety Underwriters for many years.

great business builder as everyone will have to be insured or at least be able to show that he is financially able to meet all possible loss obligations. In other states this law has produced thousands of dollars of new premiums.

DEATHS

W. Warren Ellis, 47, executive vice-president of the Insurance Brokers Association of New York and executive secretary for 12 years of the National Association of Insurance Brokers, died Tuesday in Morristown (N. J.) Memorial Hospital following an abdominal operation performed July 13. He was editor of "Insurance Broker-Age," official publication of the Insurance Brokers Association.

He was educated at New York University and Columbia. Except for three years with the Singer Manufacturing Co., Mr. Ellis' entire business life was in insurance. He was three years on the staff of the "Eastern Underwriter," six years manager of sale promotion of the Commercial Union group and five years in charge of public relations for the National Board before going with the brokers association. He was president of the Insurance Advertising Conference in 1926-27. Mr. Ellis was about 52. The funeral service will be held Friday from the A. M. Runyon & Son chapel in Plainfield, N. J.

J. E. Hathaway, 57, partner in the Hathaway-Thornton agency, Hammond, Ind., and in the insurance business there for 25 years, died at a Hammond hospital. He was a former president of the Hammond Chamber of Commerce and of the Hammond Safety Council.

Miss Daisy Kline, who from 1906 until her retirement 1½ years ago was an active member of the Kline & Frank agency, Eaton, O., died at her home there as the result of a heart attack. She was a lifelong resident of Eaton, graduating from high school there in 1886.

John B. Wolf, manager for the 10 years of the A. J. Withmann agency, Indianapolis, has opened his own agency at 853 Consolidated building, following the death of Mr. Withmann.

The accident and health policy reference book—*1945 Time Saver*. \$4 from The National Underwriter.

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This company is also in the market for an experienced field man for Eastern Iowa. Prefer a man acquainted with territory and agents.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minn. Buyers Association for State Supervision

MINNEAPOLIS—Members of the Insurance Buyers Association of Minnesota are inclined to favor state rather than federal supervision of the insurance business, although some of them represent companies that operate on a nationwide scale.

Following a talk by Commissioner Johnson at the July meeting, President C. M. King said he believed he spoke for all members when he said the association favored state regulation. Other members expressed themselves similarly, although some of them could see advantages under federal control.

Commissioner Johnson reviewed the events leading up to the moratorium granted insurance companies by congress until Jan. 1, 1948. He told of two divergent views now held about the insurance business, one that there should be no supervision whatever, with free-for-all competition, the other for a very strict control which would virtually put the industry in a strait-jacket. He said many of the leaders in the business felt that a middle ground would have to be reached. He urged the buyers' association to take part in the discussions leading to a determination of this question.

President King, in reviewing the activities of the buyers' association the past year, predicted that at the next session of the Minnesota legislature an effort would be made "to tear to pieces" the occupational disease section of the compensation law and he recommended that the association prepare to take a hand in the matter in 1947.

"Our association is now established with legislators; they recognize us and ask our advice on bills affecting insurance," he said.

Many Old Minnesota Department Rulings 'Junked'

ST. PAUL—All orders and rulings issued by the Minnesota department over 25 years or more and never rescinded have been checked over by Commissioner Johnson and his staff and all but 19 have been thrown out. These 19 will be referred to the attorney general to pass on and those approved by him will remain in force, the others being nullified after Jan. 1, 1946.

This action was taken to conform to a

Advanced in Toledo

Harry F. Dudley and Frank B. Kase, both associated since 1942 with Picton-



F. B. Kase

H. F. Dudley

Cavenaugh, Inc., Toledo, which is general agent of Aetna Casualty, have been elected vice-presidents of the company. Byron S. Picton is president.

Before going to Toledo, Mr. Dudley had many years of insurance experience in Cleveland. Mr. Kase was widely known in Detroit insurance circles before joining Picton-Cavenaugh.

law enacted by the last legislature, requiring all administrative officials to submit all orders and rulings to the attorney general within 90 days after the passage of the act. That time expired July 20 and Commissioner Johnson called together on that date representatives of various insurance groups and read to them the 19 rulings and orders which he is submitting to the attorney general for approval or disapproval. Attending the hearing were representatives of the Insurance Federation of Minnesota, Minnesota Underwriters Association and others.

No objection was raised to any of the 19. These included Commissioner Johnson's ruling requiring all agents to pass an examination to get a license. It provided, however, for a 60-day conditional license without an examination. There is a possibility the attorney general may hold this illegal, which company men say would create a problem, as it is often necessary to appoint new agents in an emergency.

The oldest order "junked" dated back to 1918.

Officials Visit No. Mich. Groups

LANSING, MICH.—Carl Trager, president, and Waldo O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, are attending meetings this week of several upper peninsular agents' groups at which the association's plan for cooperation with bankers in promoting finance-insurance plans for post-war automobile buyers will be discussed. Bankers of the area are expected to attend at least some of the meetings.

Sessions are being held by the Dickinson county association at Iron Mountain; Iron county association at Iron River; Gogebic county association at Ironwood; Houghton county association at Calumet, and Sault Ste. Marie association at the "Soo."

Self-Insurance Issue Up Again

MINNEAPOLIS—The perennial sparring over self-insurance by the city of Minneapolis has started again with a public hearing called for Aug. 2 at the request of Alderman Bank, chairman of the ways and means committee.

This issue comes up nearly every year and insurance men are not unduly perturbed over it. Heretofore they have always been able to put up a strong argument against self-insurance and expect to do so this time. Moreover, the council controls only a small part of the city-owned property; the bulk of it is in the hands of the school and park boards, whose members are not keen for the self-insurance idea.

Launch County Bank-Agent Drive

The Eldorado (Kan.) Insurance Board under the direction of President George F. Bacon is now organizing the bank-agent auto plan. A joint meeting of the agents and bankers of the entire county is planned to arrange for proper publicity and advertising for a county-wide program. The Eldorado agents will invite agents from other towns in But-

ler county to attend and participate in the organization.

Hutchinson Agents' Outing

The joint picnic-outing of the Hutchinson (Kan.) Association of Insurance Agents and Real Estate Board was attended by about 40 members. John B. Brehm of the Brehm agency hastily organized a volunteer fire department to extinguish a fire in his automobile caused by a short circuit. Quick action of a bucket brigade saved the car but it had to be towed back to town.

Stoskopf Boosts Bank-Agent Plan

George Stoskopf, president of the Kansas Association of Insurance Agents, is urging the members to take full advantage of the bank-agent auto plan, stating that already more than 9,000 banks in the United States have indicated their desire to engage in the plan. He calls attention to manuals soon to be released by both the N. A. I. A. and the American Bankers Association.

Course in Fire Administration

A short course on fire administration will be held at Ohio State University in Columbus Sept. 10-15 for firefighters in Ohio and adjoining states. The Ohio Inspection Bureau, Ohio industrial commission, state fire marshal's division and other organizations will cooperate. Prof.

Harvey Walkerm, political science department, will be in charge.

Veteran Kansas Agent Retires

James A. Otto, senior member of the Otto & Newkirk agency, Independence, Kan., is retiring from the business, which he entered in 1893, and is joining his daughter in Hawaii, where he will make his home. Prior to his departure the Independence Insurance Board honored him with a luncheon.

Talk on Rural Protection

Philip L. Johnson, special agent of American, addressed the Volunteer Firemen's Association of Licking County at Granville, O., on rural fire protection. Pictures were shown. About 70 attended the meeting.

O'Connell Middletown Speaker

Representing the Ohio Stock Fire Insurance Speakers Association, Shawley B. O'Connell, marine special agent of Home at Columbus, will address the Middletown Association of Insurance Agents Aug. 6 on "Present Trends in Marine Insurance."

Chester E. Benfer has been named fire prevention committee chairman of the Newton (Kan.) Insurance Board. Newton won first honor in its class in last year's Inter-Chamber Fire Waste Contest.

IN THE SOUTHERN STATES

Okl. City Exch. Expands Activities

F. D. Moor New Chairman of Southeastern Conference

OKLAHOMA CITY—The Oklahoma City Insurance Exchange's meetings schedule has been changed from a weekly to an every other week schedule. Four new sub-committees have been created to function under the public relations committee, covering educational, public schools participation, advertising and publicity and civic enterprise projects.

The educational committee is to arrange for continuance of regular insurance study classes.

The exchange will cooperate with the state association in its efforts to secure a thoroughgoing agency licensing and qualification law.

For financing this expanded program, D. R. McKown, public relations chairman, said that the exchange's commissions on public business which amounts to about \$5,000 a year, should be earmarked for use by the public relations committee instead of being disbursed to members.

At the recent meeting of the Southeastern Agents Conference in Atlanta Frank D. Moor of the Midyette-Moor agency of Tallahassee, Fla., was elected chairman to succeed Ed. H. Moore of Birmingham. There were 10 agents present at the meeting from Alabama, Florida and Georgia. South Carolina and Virginia were not represented. Considerable discussion arose as to need of a use and occupancy reporting form. A request has been made to the Southeastern Underwriters Association to authorize such a form. There was also much comment on dwelling house rates in Georgia and South Carolina.



Frank D. Moor

Drop Memphis Fire Patrol

MEMPHIS, TENN.—Operation of the Memphis Fire Insurance Patrol, in service for 50 years, will be terminated Sept. 3, according to President J. Thomas Wellford, unless the city will assume responsibility for it. Its building worth \$25,000 and equipment valued at \$15,000 will be deeded to the city if it assumes financial responsibility for the continued operation of the patrol.

Bank-Agent Plan in San Antonio

SAN ANTONIO—John M. Coleman, chairman of a committee which has been appointed to study problems involved in the bank-agent automobile financing plan told the San Antonio Insurance Exchange that the banks contacted have indicated a willingness to go along with the insurance men in their plans. The question of who should provide the needed advertising and whether the two

FAMOUS SYMBOLS OF SERVICE

This Oriental "SEAL OF LIFE" was famous long before Confucius. Eight trigrams and sixty-four hexagrams signify sky, marsh, fire, thunder, wind, water, mountains, with an all-enveloping "Harmony". The Northern Assurance Symbol means SOUND PROTECTION against these elements in their uglier moods.

THE NORTHERN ASSURANCE CO. LTD.

FIRE AND ALLIED LINES AUTOMOBILE INLAND MARINE REPORTING FORMS FLOATER CONTRACTS NEW YORK CHICAGO SAN FRANCISCO

interested groups should share the cost was presented.

Secretary F. F. Ludolph called attention to the immensity of the problems which the Texas board of insurance commissioners faces in putting into effect recent surety and casualty rate legislation. He also spoke of the duty of the agent to call attention of his clients to under-insurance.

Mr. Ludolph was authorized to write a letter of sympathy to Clyde R. Bodkin on the death of his son, Lt. Clyde R. Bodkin, Jr., in air combat. Lt. Bodkin was for a time in his father's agency and later was a special agent in south Texas.

Start Tenn. Code Revision

NASHVILLE—A code revision commission, appointed by the Tennessee legislature in January, is now ready to begin work. All new legislation, including much insurance legislation, since 1931 will be reviewed.

Auto Finance Plan in Memphis

MEMPHIS—T. K. Robinson, chairman of the automobile finance committee of the Memphis Insurance Exchange, has announced the completion of arrangements for the operation of the bank-agent auto finance plan in Memphis. The three cooperating banks,

which have done little or no automobile financing in the past, are enthusiastic in their support. The exchange committee is already using radio advertising to acquaint auto buyers with the plan, but must wait until there is an increase in newsprint before newspaper advertising can be obtained.

Cloud San Antonio Manager

Effective Aug. 1, R. R. Cloud, who has been manager of Fire Companies Adjustment Bureau in Austin, Tex., will become San Antonio manager, succeeding Walter T. Gallaway, who will become general adjuster. Mr. Cloud has been with the bureau 12 years at Abilene, Big Spring, Lubbock and Midland, Tex., before going to Austin.

NEWS BRIEFS

At the monthly meeting of the **Nashville Association of Insurance Women**, Mrs. Lambert Campbell gave readings from her own poems. Announcement was made of the meeting of the Federation of Tennessee Insurance Women in Knoxville Oct. 19-20.

Clyde Bethshares, now in service in Germany, has announced that the management of his agency at **Humboldt, Tenn.**, has been transferred from Will Hamilton to his brother Everett Bethshares, assisted by Finis Ewing and Mrs. R. T. DeBerry.

EASTERN STATES ACTIVITIES

Boit, Dalton "Ad" Series Acclaimed

The Boit, Dalton & Church agency of Boston has been engaging in a striking advertising program in which the emphasis is on promoting postwar development of Boston industry, shipping, transportation and city planning in general.

The agency sponsored a series of radio features with prominent industrialists, architects and other leaders speaking in connection with various projects. "Boston Looks Ahead" was the title of the series. Preceding each broadcast, the agency placed advertising in the daily papers illustrating the point that was to be made on the air that evening and announcing the speaker. This group of advertisements has been gotten together in an accordion type folder which is being extensively distributed. The endeavor of the agency has been

to keep its name constructively before the public while 33 of its people who made frequent customer contacts were absent in the armed forces. The agency finds there is more than ample evidence that it has accomplished this purpose.

The job that the agency has done for its community has been acclaimed. This is the fourth advertising program that Boit, Dalton & Church has conducted.

Hail and Wind Losses in East Are on the Increase

There has been a big increase in the amount of extended coverage written in connection with fire business in the east, and that area is beginning to get a flurry of insurance claims after every hail or windstorm. The broadening of the dwelling form also has had its effect. Prior to the 1938 hurricane little extended coverage was sold. But today the picture in the east is beginning to resemble that in the middle west and southwest, where almost every loss results in an insurance claim.

Last week a heavy hail storm struck Wilkes-Barre and adjacent territory, followed in two or three days by a heavy blow, and approximately 300 claims have resulted. Not long ago 2,000 claims were made as a result of a hail storm in Washington, D. C. A. windstorm followed by an 11 inch rain in three hours in the Phillipsburg, N. J., area produced a substantial number of claims.

Slifer and Garrabant Are Now Adjusters in Charge

Fire Companies Adjustment Bureau has appointed George M. Slifer, Jr., as adjuster in charge of the Williamsport, Pa., office.

He joined the staff at Cumberland,

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK
FINISH THE FIGHT...
BUY MORE WAR BONDS!

NATIONAL INSPECTION COMPANY

CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 41 years.
Inspections and Underwriting Reports.

J. G. Hubbell,
H. B. Christinger, Managers

R. L. Thiele, Ass't Mgr.
P. A. Pedersen, Chief Inspector

Md., in 1937 and also has been attached to the Williamsport and Providence, R. I., offices.

Due to the ill health of Manager Ralph S. Clinger at Williamsport, he has requested an abatement of his field activities.

Mr. Slifer is succeeded at Cumberland by Sheldon E. Garrabant as adjuster in charge. Mr. Garrabant joined the

staff in 1941 and has been a staff adjuster at Newark.

Charles C. Lyon, Newark manager of Niagara Fire, presented a gold medal to **Andrew G. Kress** of Irvington, N. J., in recognition of more than 25 years representation of that company.

PACIFIC COAST AND MOUNTAIN

Hunter Brown Cancels Pacific Northwest Trip

SEATTLE—Hunter Brown of Pensacola, Fla., vice-president of the National Association of Insurance Agents, has advised officials of the Washington, Oregon and Idaho agents' associations that he will be unable to address the three state meetings in August. Mr. Brown, who was to have headlined the meetings at Seattle, Portland and Boise, was compelled to cancel the arrangement due to the uncertainty of arranging transportation. The National association executive committee recently announced its policy of discouraging officials from traveling long distances to address state meetings.

As a result of cancellation of Mr. Brown's visit, the officials of the three associations are revamping their programs. Following a meeting here of the governing committee of the Washington association, it was announced that the Seattle meeting will get under way with an executive committee dinner session Aug. 20, with a closed session for members the following morning, devoted to routine business, including reports of committees and an open forum on various topics of special interest to producers.

The afternoon session will be an open meeting. It will highlight the report of the administration by President V. R. Lee and two panel discussions, one on automobile finance cooperation between agents and banks, and another on social legislation, the latter to be conducted under the sponsorship of the Seattle Accident & Health Managers Club. Robert D. Williams, new deputy insurance commissioner, who is charged with drafting the insurance code for presentation to the 1947 Washington legislature, will address the afternoon session.

Electors of officers will conclude the business session. The United Pacific will be host at a cocktail party, followed by the banquet, with the King County Insurance Association as host.

Utah Interim Insurance Committee Starts Work

SALT LAKE CITY—At a meeting of the interim insurance committee of the Utah legislature, C. N. Ottosen, assistant attorney general and former insurance commissioner, who is committee secretary, reported on the work done at the recent commissioners' convention to meet the problem arising from the Supreme Court's decision in the S. E. U. A. case.

Three committees were named, one on the administrative code of procedure and the uniform liquidation act, another on an agents qualification law, and still another to work on a uniform law relating to unauthorized insurers and the so-called "non-profit" organizations.

A report on the committee's activities is expected to be made at the annual meeting of the Utah Association of Insurance Agents Aug. 27-28 at Ogden.

Fred E. Jewett Nominated for President in Oregon

PORTLAND, ORE.—Fred E. Jewett of the Jewett & Dorman agency, Portland, has been nominated for president of the Oregon Association of Insurance

Agents. The election will be held at the annual meeting here Aug. 24. Mr. Jewett is now chairman of the executive committee and is a past president of the Portland association.

Sprague H. Carter of Pendleton, long a member of the executive committee, has been nominated for chairman of that committee and V. J. Robinson of Medford, now president, for state national director.

Two minor amendments to the by-laws will be considered at the annual meeting. One changes the requirement that two members of the nominating committee be vice-presidents. It is suggested that at least two members of the committee be past presidents. Another proposed amendment would increase the size of the executive committee from nine to 11, with at least one representative from each congressional district on the committee and not more than five from any one district.

Hail Does \$1 Million Crop Damage in Montana

Central and eastern Montana suffered extensive crop losses as the result of severe wind and hailstorms last week, which swept from the Rocky Mountains eastward across the state, causing damage estimated at more than \$1,000,000.

A 52-mile-an-hour wind in the northeast area damaged granaries and power lines.

In the Judith Basin area of central Montana, large wind-driven hailstones chopped a 30-mile swath, six to eight miles wide, causing almost 100% damage to grain. Lewistown grain elevator operators said between 400,000 and 500,000 bushels of wheat were destroyed. They said it was the most destructive storm in recent years and insurance spokesmen estimated damage in the one area alone at \$1,000,000.

The hailstones killed chickens, stampeded cattle and the accompanying wind blew roofs from houses and farm buildings. Preliminary reports of the hail-storm damage in northeastern McCone county east indicated crop losses would run between 50 and 100%.

New General Agency to Operate in Utah, Idaho

SALT LAKE CITY—Robert L. Salmon, Sr., and Robert L. Salmon, Jr., have organized the Agency Company, which will become Aug. 1 the Utah and Idaho general agents of Columbia Fire, London Assurance and New York Underwriters. Mr. Salmon, Sr., for the past nine years has been special agent of the Commercial Union group in that territory, while his son formerly was with the Tracy agency at Salt Lake City and before that with the American of Newark group in San Francisco.

Wash. Agents' Code Committee

SEATTLE—To study the present insurance code as it relates to the problems of the local agent, a special committee of the Washington Association of Insurance Agents has been appointed by President V. R. Lee. It includes H. P. Sargent of C. P. Sargent & Co., Seattle, chairman; Charles P. Carroll, Spokane; C. J. Sorensen, Bellingham, Herb Wilson, Everett; J. W. Frazier, Seattle; R. E. Reynolds, Walla Walla;

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The new committee, after assembling the views and ideas of the agents will discuss the proposed code revision with Deputy Commissioner Williams, who will supervise the redrafting of the code for presentation to the 1947 legislature. The 1945 legislature passed a law instructing the insurance commissioner to submit a recodification of the insurance laws to the next session.

Jensen to Frank Burns Co.

C. J. Jensen has resigned from the claims staff of Swett & Crawford at Seattle to join Frank Burns Co., re-insurance brokers, as office manager.

He graduated from Drake University law school and was admitted to the Iowa bar in 1937 and shortly after joined American Surety as special agent at Des Moines. He has been with Swett & Crawford as an adjuster since 1940.

Sergeant Succeeds Stanley

Claude Stanley, special agent of the metropolitan department of Glens Falls in San Francisco, with that company 20 years, has resigned to go with the brokerage firm of Grant-Birkholm & Co. there. John Sergeant has been appointed to succeed him. He has been in the casualty underwriting department and in his new duties becomes assistant

to Walter Herzer, metropolitan manager.

Habitational Tariff Directive

LOS ANGELES—The Insurance Association of Los Angeles has put out a three-page directive on the new "habitational tariff" recently promulgated by the Pacific Board. It gives the information needed properly to apply the tariff and the source or references from which the information may be obtained. It also gives some extended details of how the tariff works, with examples.

Burr with Continental, Inc.

SEATTLE—Wilbur G. Burr has been appointed manager of the insurance department of Continental, Inc. He recently was honorably discharged from the coast guard, following three years of service. He succeeds Lloyd McCants, who is now manager of the John Davis & Co. insurance department.

NEWS BRIEFS

W. M. Thomson, manager of the Washington Insurance Examining Bureau, is recovering from a recent operation at a Seattle hospital.

Howard Swift, manager fire and water department of Pacific Board's District "C," spoke before the Azusa, Cal., Rotary Club on "City Grading and Rating."

MARINE INSURANCE NEWS

DSC Suit Against U. S. Involves Marine Insurers

WASHINGTON—Whether Defense Supplies Corporation (now merged into RFC) could sue the United States government, which owns it, is involved in DSC petition to the Supreme Court for certiorari to review the second circuit of appeals decision against its claim against the government in libel action. The case involved recovery of some \$21,940 advanced to DSC by marine insurance companies insuring wool owned and shipped by the government corporation on a War Shipping Administration vessel, the Robert Morris, and water-damaged upon receipt in New York from Fremantle, Australia.

DSC presented claim for damage to the marine companies concerned, which advanced to DSC \$21,940 as a loan repayable only out of net recovery that might be made. DSC appointed the companies' agents and underwriters its agents and attorneys-in-fact with irrevocable powers to collect and prosecute proceedings.

The libel suit was instituted against the government in 1943. The government took the position that DSC, as a government agency, had no cause of action and that the marine underwriters did not acquire by subrogation rights superior to those of DSC against the United States.

Although DSC asserted its ownership of the wool was absolute, the district court held it was government property and dismissed the libel with costs. The circuit court, while recognizing the "real parties in interest" are insurance companies, held the case was one "by the United States against the United States" and affirmed the lower court's decree.

There was involved the question whether the ship was a public vessel or a merchant vessel within the meaning of the suits in admiralty act.

Grant Is Skipper of the Atlanta Mariners

ATLANTA—Mariners Club of Atlanta, which was organized last year, held its first annual meeting with the following election of officers: Skipper, Harry Grant, Aetna Fire; mate, Henry

Ladage, Travelers Fire; officer of the deck, Wm. G. Stephens, Jr., head of his own general agency; engineer, H. A. Taylor, Chubb & Son; purser, Charles A. Simons, Phoenix of Hartford.

The club now has 70 members made up in the main of marine underwriters and producers. Meetings are held the first Monday of each month.

O.K.s PPF Deviations in D. C.

WASHINGTON—Superintendent Jordan has approved identical deviations filed by a number of mutuals from the plan, form and rates of the personal property floater previously offered by the District of Columbia Rating Bureau and approved.

Mutuals concerned are Allied American Mutual Fire, Badger Mutual, Employers Mutual Fire, Federal Mutual Fire, Grain Dealers National Mutual Fire, Hardware Dealers Mutual Fire, Hardware Mutual, Indiana Lumbermen's Mutual, Lumbermen's Mutual of Ohio, Mill Owners Mutual Fire, Mutual Implement & Hardware, National Mutual, National Retailers Mutual, Northwestern Mutual Fire and United Mutual Fire.

It is understood that the above deviations are with regard to treatment of minimum premiums, also in the jewelry feature of the personal property floater.

Superintendent Jordan has also approved deviations filed by Manufacturers Fire and differences in policy filed by Utica Fire.

Railroad Theft Losses Increased 128% in 1944

The Association of American Railroads reports that on losses analyzed, cargo thefts were up 128% in 1944. Theft losses for the year were nearly 2½ times as large as losses from fire and allied causes. No type of cargo is immune to theft, and only one classification, sewer pipe, showed no theft loss. Textiles, dry goods and clothing led the list, accounting for 30% of the year's theft losses; liquor and beer, 9%; tobacco, 7%; meat, poultry and animal products, 4%; fruits, vegetables and agricultural products, 4%; canned food, 2%; wire and iron and steel products, 1%; stoves, furnaces, 1%; automobiles and accessories, 1%; glassware, 1%, etc.

IN THE CANADIAN FIELD

McLean Opposes Dropping C.I.U.A.; Tells Developments

TORONTO—In spite of the recent formation of the Canadian Inland Underwriters Conference, Wilson E. McLean, secretary-treasurer of the Canadian Inland Underwriters Association, urges the C.I.U.A. be not disbanded at this time.

If the new Conference were Dominion-wide, he says, it would be perfectly obvious that the two organizations should not exist side by side but he points out that the Conference will only cover Ontario and Quebec and the association still remains effective Dominion-wide. "It has been a valuable agent in bringing about cooperation between the various sectional bodies across Canada and should not be disbanded until such time as the new body is prepared, as it must ultimately be if the greatest good is to be served, to extend its jurisdiction across Canada. In the meantime the association can form a liaison between the various sectional conferences."

He says further that the association has performed other functions Dominion-wide with respect to legislation, establishing good relationships with other bodies, etc. and the framework for these should not be dropped until something is prepared to replace it.

Regarding furriers' customers insurance, Mr. McLean says the association has met with committees of furriers to discuss mutual problems. While ready solutions have not been found, better understanding has been established. The question of fur certificates has been taken up by both the Ontario and Alberta departments and the Quebec superintendent is giving it consideration.

Work also is proceeding satisfactorily with regard to motor cargo insurance. An association committee has had a number of meetings with the Ontario Automotive Transport Association and an understanding of the problems has been developed. The Ontario insurance superintendent has set up a committee of insurers headed by Norman Bethune, who is chairman of the new Inland Conference, to deal with the question of an approved form of policy.

Western Canada Groups Elect

H. L. Hutton has been elected president of the New Westminster (B.C.) Insurance Agents Association, succeeding Kirk Gerow. Vice-president is K. K. Reid and secretary, Paul Dorgan. P. B. Brown, secretary for more than 20 years, who has retired, was made an honorary life member.

Jack Farish has been elected president of the Insurance Agents Association of Calgary, Alta. Vice-president is James Cleave and secretary, R. J. Crighton.

Meikle Heads Ont. Blue Goose

W. H. Meikle has been elected most loyal gander of the Ontario Blue Goose. Supervisor is A. J. Beattie; wielder, H. C. Baillie; custodian, S. W. Duck; guardian, W. A. Winhall; keeper, S. Hopkins. It is expected that during the coming year a new puddle will be formed, embracing the districts in and around Hamilton, St. Catharines and Kitchener.

Hortin Heads B. C. Pond

Ralph E. Hortin has been elected most loyal gander of the British Columbia Blue Goose. Supervisor is F. J. Parrott, Aetna Fire; custodian, J. S. Greer, Pacific Coast Fire; guardian, J. V. Carter of Shallerross-Nasmyth Adjusting; keeper, James G. McBeath, general agent; wielder, George Meredith, adjuster.

Hold C.U.A. Meeting Oct. 15-17

The Canadian Underwriters Association annual meeting, usually held in mid-June, has been scheduled for Oct.

15-17 at the Seigniory Club, Montebello, Que.

Go Ahead with Ont. Meeting

Plans are going ahead for the annual meeting of the Ontario Insurance Agents Association, which will be held at the Royal York Hotel in Toronto Oct. 11-12.

Winnipeg Agents Elect

B. W. Ireland has been elected president of the Insurance Agents' Association of Winnipeg. Vice-presidents are R. R. Counsell and F. W. Bamford.

Organize at Brantford, Ont.

A new agents' association has been formed in Brantford, Ont. President is Ken Bunnell; vice-president, Judd Read; secretary, Fred Norman.

Hall and Tarbell Are Chairmen

Robert E. Hall of Hartford has been named chairman of the committee on revision of standard policy and T. F. Tarbell of Hartford chairman of the committee on statistics of the National Automobile Underwriters Association.

First Charter Cargo Airline

The first commercial all-cargo airline on a non-schedule basis to any airport in the United States has been formed, the Air Cargo Transport Corporation, with offices in the Empire State building, New York. The line has a fleet of especially designed twin-engined transports and will carry cargo on a charter basis.

Property Facts Are Basic

The starting point for sound solution of problems of Income Taxation, Reconversion, Accounting, Insurance and Finance is an accurate knowledge and record of Property Facts.

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III. Agents Group Parley at Champaign

(CONTINUED FROM PAGE 1)

tion might be on the way increasing the limit on money in the P.P.F. to \$500.

Mr. Wilbor was on the receiving end of many questions. Many of the inquiries related to bailee coverage. One question was why a bailee should insure in view of the fact that the 10% off premises coverage of the dwelling fire

policy applies to customers' articles in the hands of bailee.

Mr. Wilbor pointed out for one thing the bailee cannot be certain that all of his customers carry dwelling insurance; secondly the bailee policy covers numerous perils such as death, earthquake, water damage, which are not covered in fire and extended coverage. The most important consideration, however, is that bailee's insurance is not a legal liability policy. It is an actual damage contract and in addition to protecting the bailee against his legal liability, it allows him to pay off his customers and maintain their good will.

Another question was why the rates for bailee insurance had not been reduced in view of the fact that customers can now collect under their 10% off premises feature.

Rates Should Be Doubled

Mr. Wilbor said that anyone privileged to examine the inside figures of the insurers would readily appreciate why the rates cannot be reduced. The loss record is so adverse that on a strictly mathematical basis the rates should be doubled. The loss experience during the war is not the fault of the operator, but is due to lack of help, inexperienced help, confusion and concentration of values far beyond what was contemplated when the insurance was written. Following the war, if the loss record improves, then it can be expected that rates will be reduced, he said.

There were questions regarding the losses that the companies are paying under the I.C.C. endorsement to the motor truck cargo policy. Mr. Wilbor observed that under this endorsement the insurer is required to pay only on the basis of final judgment against the truck cargo operator. Most companies, he said, insist almost without exception that there be a final judgment.

Donald K. Weiser, assistant manager at Chicago for Aetna Casualty, made a hit in advocating increased use of surveys and of comprehensive liability forms. He said that agents should avail themselves of the survey material and make analyses of risks to afford the assured the best coverage possible. He recommended the sale of comprehensive liability insurance on the broadest basis possible. Too frequently comprehensive insurance is being placed with certain exceptions that defeat the purpose of the contract. He gave examples of several losses that had occurred fairly recently that were covered for sure under the comprehensive form, but that were borderline or definitely excluded in the more limited type of policy.

Mr. Weiser left after the Champaign meeting for a vacation in Maryland.

Bank and Agent Message

Frank Anger of Chicago, vice-president of Industrial National Bank, gave a practical message in behalf of the bank and agent automobile plan.

The final speaker was Merle A. Read of Joliet, president Illinois Association of Insurance Agents. He was also slated to talk on the bank and agent plan. He said that Mr. Anger had stolen his thunder. He remarked that most of the material that Mr. Anger had cited had originated in insurance ranks, whereas the material Mr. Read had with him had emanated from banking circles. He pointed out that all of the material was identical and this indicated the identity of interest in the program of insurance companies, agents and banks. He said that the movement is vital because there is more at stake than merely the fire, theft, comprehensive and collision insurance on financed automobiles. It is certain that the finance companies in the post war period intend to include in their package the automobile third party coverages and eventually it is predictable that the finance companies will expand their insurance operations into still further fields.

G. C. Kennedy, Clovis, N. M., has sold his agency to Roy Smith, manager Smith Abstract & Insurance Co., of that city. Mr. Kennedy will continue in the real estate business.

Williams' Comments Stir Agents

(CONTINUED FROM PAGE 1)

of all was the reported one: "Downward revision of commissions as the cost of doing business is now too high."

"In the absence of Mr. Williams from New York, a spokesman at the headquarters of the Insurance Executives Association stated that Mr. Williams spoke extemporaneously before the Pacific Board and he could not vouch for the accuracy of the report as published.

"The officers of the National association are investigating the statements reported as having been made in San Francisco by Mr. Williams and will subsequently report their findings to the membership."

"Journal of Commerce" Defends

On July 20 the New York "Journal of Commerce" called attention to the fact that doubts had been expressed on the accuracy of its report July 17 of Williams' talk. The two points that called for particular fire from agents were Mr. Williams' proposals that "all rules referring to agency limitation must go. Insurance companies have heretofore been limited by agreement with agents' associations to two per company in each major coast city and town," and "downward revision of commissions as to the 'cost of doing business is now too high."

The "Journal of Commerce" wired its correspondent, Jack Piver, editor and publisher of "Pacific Insurance," and got the following reply: "Regarding your wire, my story regarding Williams' speech to Pacific Board is absolutely correct. Secured story from manager who was at meeting and verified it with second manager. I released this story as news bulletin to 1,000 of our local readers July 16 and no one here has complained that the story was in any way inaccurate. Before sending you story I made unsuccessful effort to interview Williams here to confirm same. If you wish to quote me on above statements, go ahead."

News items purporting to tell what Mr. Williams said at the meeting have angered the Pacific Coast managers, who deplored the broadcasting of a distorted version of what the I. E. A. president actually said.

The reported version of Mr. Williams' talk brought forth a statement from John C. Stott, Norwich, N. Y., president of the New York state association of local agents, on the matter of reducing commissions. He believes that when the present phase of high prices and loose buying has passed the insurance industry will be faced with the problem of making ends meet and that it can't be done by reducing commissions to a point that will force agents into an unsound financial position.

Mr. Stott believes that the time is right for producers and companies to sit down and approach the commission problem from the same viewpoint, making an analysis of agency operating costs and services rendered by the agents for the compensation they receive. He says he is satisfied the commission structure in New York state is not too much out of line but needs serious study and probably some revision and that "there is what we might call a lunatic fringe of companies that are paying excessive commissions. This situation should be curbed by the cooperation of the companies and the agents."

Suggesting that commissions to agent be fixed by general agreement of all interested parties, Mr. Stott predicts that unless companies and producers agree voluntarily on commissions some state or government agency, by public demand, will regulate commissions.

Award to Cleveland Radio Station

CLEVELAND—Executives of the Insurance Board of Cleveland conveyed to Station WGAR, Cleveland, the Na-

tional Board's honorable mention for outstanding fire prevention service in 1944. The presentation was made to John F. Patt, vice-president of WGAR, by John L. Meyer, president of the Cleveland Board; George W. Phypers, vice-president; S. J. Horton, executive secretary, and Charles H. Parsons. The award was made on the strength of the station's service during the disastrous East Ohio Gas Company explosion and fire.

The Insurance Women of Racine, Wis. entertained the Insurance Women of Milwaukee at a picnic at the W. R. Giese residence. Games were played and a picnic supper was served.

The accident and health policy reference book—**1945 Time Saver**. \$4 from The National Underwriter.

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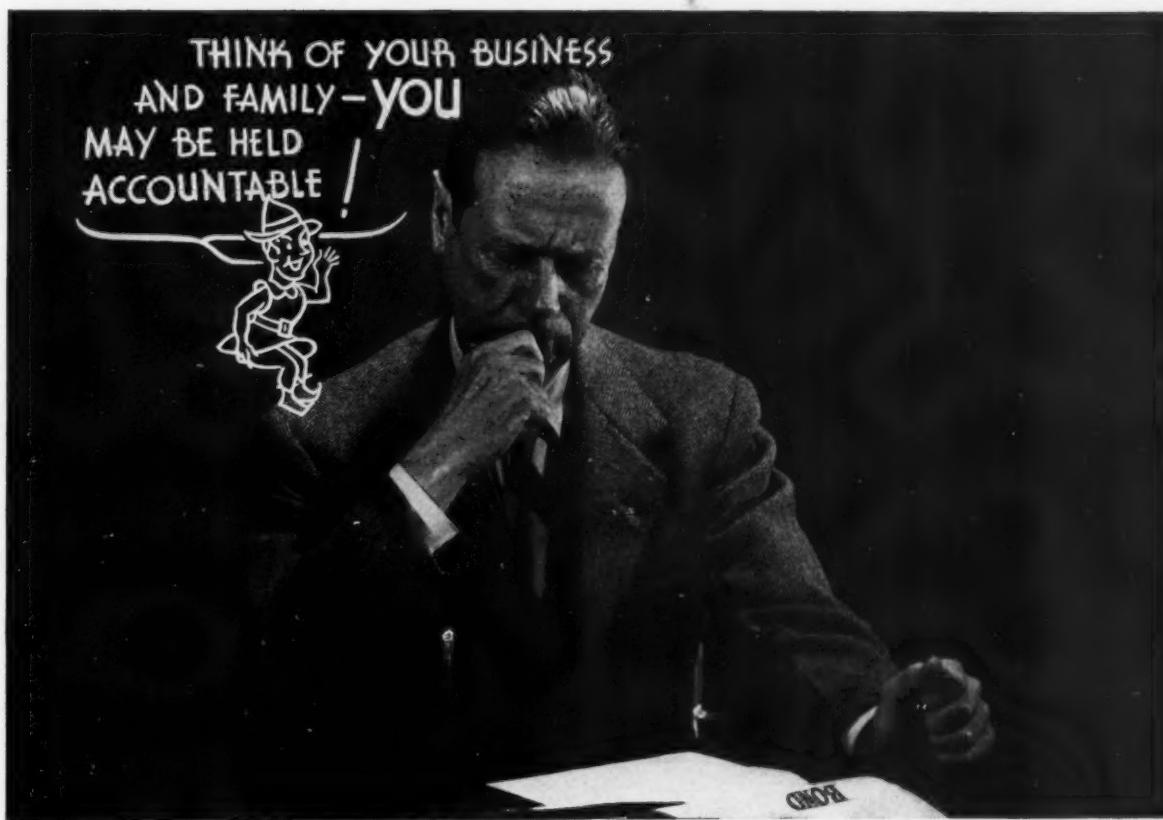
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